



VOCATIONAL QUALIFICATIONS

DEATHS PART 2

DEATH BENEFITS WITH SPECIAL CIRCUMSTANCES

WEDNESDAY 5 SEPTEMBER 2018 9.30 AM – 12.30 PM

TIME ALLOWED: 3 HOURS

1. Answer **ALL** the questions.
2. Write all your answers in the answer book provided.
3. Begin each question on a new page.
4. Show all workings clearly.
5. Calculate the benefits using only the information given.
6. Where the benefits are likely to exceed the remaining Individual Lifetime Allowance, state in your answer book that you would refer the case to your manager.
7. Factors must be rounded in accordance with the instruction in the Table of Factors. Round all other figures to two decimal places (or whatever is the normal practice where you work).

Questions

Section A

Calculate the death benefits / options for:

1. CARA WILLIAMS – (XYZ)
2. GUY PELLY – (RST)
3. MARCUS ANDERSON – (RST)
4. SILVIA LARCOMBE – (OPQ)
5. PRIYANKA CHOPRA – (XYZ)

Section B

6. Write a letter explaining the benefits payable and the options available in respect of **SILVIA LARCOMBE**.

The letter may be addressed either to the beneficiary or to the Trustees (whichever is the normal practice in the organisation for which you work).

Please note: Candidates must not sign letters with their own names. Letters should be signed “A N Other”.

Event history

Date of first event **04/09/2018** First event **DEATH**
 Date of second event Second event

Member details

Surname **WILLIAMS** Forenames **CARA**
 Date of birth **26/04/1949** Gender **FEMALE**
 Spouse’s date of birth **02/02/1952**
 Dependent child’s date of birth
 Date of joining company **06/11/1997**
 Date of joining scheme **06/11/1997**
 Category of membership **B**

Pensionable salary history for the scheme year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
64,100	64,960	63,100	64,250	63,558	64,050	65,922	71,400	78,992

Contribution history

Total member’s normal contributions £
 Total member’s AVCs £
 Current value of AVCs £
 Single life AVC pension (per annum) payable immediately £
 Joint life AVC pension (per annum) payable immediately £

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £

Special circumstances / additional information

Salary at date of first event £ **75,150.12**

Cara Williams' Final Pensionable Salary at 3 July 2011 was £70,020.15.

Lower of 5.0% / RPI increases from 4 July 2011 to Normal Pension Date is 5.7%.

The Company (with the consent of the Trustees) agreed to enhance the rate of accrual for Cara Williams' pension to 55ths for Pensionable Service from 15 April 2000, inclusive. The standard XYZ Pension and Life Assurance Scheme (Category B) accrual rate applied for all Pensionable Service before this date.

Cara Williams' current available Lifetime Allowance is 89.25%.

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 2
QUESTION 2****Event history**

Date of first event **30/08/2018** First event **DEATH**
Date of second event Second event

Member details

Surname **PELLY** Forenames **GUY**
Date of birth **01/08/1955** Gender **MALE**
Spouse's date of birth **19/02/1967**
Dependent child's date of birth
Date of joining company **01/04/1990**
Date of joining scheme **06/04/1990**

Earnings history for the scheme year ending 5 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
54,911	56,550	53,201	48,600	54,996	58,210	59,500	61,222	63,511

Contribution history

Total member's normal contributions **£ 86,430.97**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Pre 6 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £ 12,604.08

Post 5 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £ 10,191.04

Special circumstances / additional information

Contractual Salary at date of first event (actual) £ 49,720.00

Contractual Salary at date of first event (full time equivalent) £ 62,150.00

Pro-rata CPI from 6 April 2018 to date of first event is 1.20%.

Guy Pelly worked full time (5 days a week) from the date he joined the Company until 5 December 2008, inclusive. From 6 December 2008, Guy Pelly varied his working week as follows:

6 December 2008 to 5 June 2009, inclusive = 3.0 days a week

6 June 2009 onwards = 4.0 days a week

Guy Pelly's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 2
QUESTION 3****Event history**

Date of first event **18/01/2017** First event **RETIREMENT**
Date of second event **26/08/2018** Second event **DEATH**

Member details

Surname **ANDERSON** Forenames **MARCUS**
Date of birth **18/01/1952** Gender **MALE**
Spouse's date of birth **25/12/1954**
Dependent child's date of birth
Date of joining company **06/01/1999**
Date of joining scheme **06/04/1999**

Earnings history for the scheme year ending 5 April

2010	2011	2012	2013	2014	2015	2016	2017	2018

Contribution history

Total member's normal contributions **£ 26,926.79**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Pre 6 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £

Post 5 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £

Special circumstances / additional information

Pension in payment at date of second event is £3,940.80 per annum, which is split as follows:

Pre 6 April 2006 pension (per annum)	£	2,415.96
Post 5 April 2006 pension (per annum)	£	1,524.84

Lower of 5.0% / RPI increases from date of first event to date of second event is 3.9%.

Lower of 2.5% / RPI increases from date of first event to date of second event is 2.5%.

On retirement, Marcus Anderson commuted £2,624.59 per annum of pension in return for a tax-free cash sum of £36,219.34. The commuted pension was split as follows:

Pre 6 April 2006 pension (per annum)	£	
Post 5 April 2006 pension (per annum)	£	2,624.59

At the date of first event, the Company, with the consent of the Trustees, agreed that the spouse's pension percentage on death after retirement would be augmented to 80.00%.

Marcus Anderson's current available Lifetime Allowance is 83.79%.

CASE STUDY DETAILS**OPQ PLAN****DEATHS PART 2
QUESTION 4****Event history**

Date of first event **05/09/2018** First event **DEATH**
 Date of second event Second event

Member details

Surname **LARCOMBE** Forenames **SILVIA**
 Date of birth **24/03/1960** Gender **FEMALE**
 Spouse's date of birth **18/12/1961**
 Dependent child's date of birth **26/05/2003**
 Date of joining company **16/09/2000**
 Date of joining plan **16/09/2000**
 Target retirement date **24/02/2022**

Annual salary history for the plan year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
45,100	45,950	46,888	47,300	48,995	45,100	50,966	51,210	53,554

Contribution history

Total member's normal contributions **£ 40,673.15**
 Total employer's normal contributions **£ 65,077.04**
 Total member's AVCs **£**

Personal Retirement Account details

Member's Current Unit Holdings

Fund	Member's normal contributions	Employer's normal contributions	Member's AVCs
	Unit Holdings	Unit Holdings	Unit Holdings
Global Equity Fund			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	21,107.5326	33,722.0521	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.318
Index Linked Bond Fund	1.360
Balanced Fund	4.485
Corporate Bond Fund	1.592
Cash Fund	1.156

Special circumstances / additional information

On 21 May 2008 the Company, with the consent of the Trustees, agreed for a one-off augmentation payment of £30,000.00 to be paid to Silvia Larcombe's Personal Retirement Account. The augmentation, which is not included in the Unit Holdings detailed above, purchased an additional 10,926.5000 units in the Balanced Fund.

Silvia Larcombe's current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

**DEATHS 2
QUESTION 4**

CASE STUDY DETAILS**XYZ SCHEME****DEATHS PART 2
QUESTION 5****Event history**

Date of first event **16/02/1997** First event **PRESERVED LEAVER**
Date of second event **27/08/2018** Second event **DEATH**

Member details

Surname **CHOPRA** Forenames **PRIYANKA**
Date of birth **08/05/1962** Gender **FEMALE**
Spouse's date of birth **26/04/1974**
Dependent child's date of birth
Date of joining company **19/08/1980**
Date of joining scheme **19/09/1980**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018

Contribution history

Total member's normal contributions **£ 43,862.04**
Total member's AVCs **£ 68,926.12**
Current value of AVCs **£ 259,662.01**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £ **1,675.44**

Post 05/04/1988

GMP (per annum) £ **2,844.92**

Special circumstances / additional information

Preserved pension (per annum) at date of first event £ **13,947.60**

Lower of 5.0% / RPI increases from date of first event to date of second event is 79.0%.

Priyanka Chopra's current available Lifetime Allowance is 51.96%.