



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

TRANSFERS IN AND TRANSFERS OUT

FRIDAY 12 MARCH 2021

1.30 PM – 5.00 PM

TIME ALLOWED:

3 HOURS 30 MINUTES

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. 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 transfer values of the benefits accrued by:

1. **ANTON HOLLY – (RST)**
2. **STEPHEN HOLMES – (OPQ)**
3. **JESSICA LITTLEJOHN – (XYZ)**

Calculate the benefits that can be provided by the transfer values received under the relevant scheme / plan for:

4. **ANTONY DE NASSAU – (RST)**
5. **EVA MCDERMOTT – (OPQ)**
6. **LOGAN RAE – (XYZ)**

Section B

7. Write a letter concerning **ANTON HOLLY** explaining the transfer out alternative and providing information as appropriate.

The letter may be addressed either to the member or to the Trustees or to the receiving scheme / insurance company (whichever is the normal practice in the organisation for which you work).

8. Write a letter concerning **EVA MCDERMOTT** explaining the benefits available in exchange for the transfer value and providing information as appropriate.

The letter may be addressed to the member 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”.

CASE STUDY DETAILS**RST SCHEME****TRANSFERS
QUESTION 1****Event history**

Date of first event	07/01/2021	First event	PRESERVED LEAVER
Date of second event	08/03/2021	Second event	TRANSFER OUT

Member details

Surname	HOLLY	Forenames	ANTON
Date of birth	03/09/1968	Gender	MALE
Spouse's date of birth	07/09/1972		
Dependent child's date of birth			
Date of joining company	06/07/1988		
Date of joining scheme	06/04/1989		

Contribution history

Total member's normal contributions	£	21,245.68
Post 05/04/1997 member's normal contributions	£	15,891.77
Total member's AVCs	£	11,998.44
Current value of AVCs	£	14,876.33

Preserved benefits

Member's total pension at age 65 (per annum):	£	22,907.66
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Including:

- | | | |
|---|---|------------------|
| • Member's pension earned between 06/04/1997 and 05/04/2006 at age 65 (per annum) | £ | 6,414.14 |
| • Member's pension earned from 06/04/2006 at age 65 (per annum) | £ | 10,537.52 |

Special circumstances / additional information

Spouse's pension on death after retirement (per annum)	£	9,163.06
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Adjustment factor		0.98
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THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 7)

CASE STUDY DETAILS**OPQ PLAN****TRANSFERS
QUESTION 2****Event history**

Date of first event	11/10/2020	First event	PRESERVED LEAVER
Date of second event	04/03/2021	Second event	TRANSFER OUT

Member details

Surname	HOLMES	Forenames	STEPHEN
Date of birth	04/09/1980	Gender	MALE
Spouse's date of birth	25/07/1978		
Dependent child's date of birth			
Date of joining company	11/08/2001		
Date of joining plan	11/08/2001		
Target retirement date			

Contribution history

Total member's normal contributions	£	8,349.60
Total employer's normal contributions	£	13,359.36
Total member's AVCs	£	3,222.77

Personal Retirement Account details

Member's Current Unit Holdings

Fund	Member's normal contributions Unit Holdings	Employer's normal contributions Unit Holdings	Member's AVCs Unit Holdings
Global Equity Fund	1,300.6765	2,081.0824	434.0088
Index Linked Bond Fund			689.3344
Balanced Fund	501.2200	801.9520	319.3435
Corporate Bond Fund	987.4532	1,579.9251	
Cash Fund			
Lifestyle Fund			

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.113
Index Linked Bond Fund	1.310
Balanced Fund	4.210
Corporate Bond Fund	1.519
Cash Fund	1.011

Special circumstances / additional information

CASE STUDY DETAILS**XYZ SCHEME****TRANSFERS
QUESTION 3****Event history**

Date of first event	09/07/2020	First event	PRESERVED LEAVER
Date of second event	01/03/2021	Second event	TRANSFER OUT

Member details

Surname	LITTLEJOHN	Forenames	JESSICA
Date of birth	24/05/1979	Gender	FEMALE
Spouse's date of birth	07/08/1975		
Dependent child's date of birth			
Date of joining company	12/01/1991		
Date of joining scheme	12/02/1991		
Category of membership	A		

Contribution history

Total member's normal contributions	£	19,722.13
Post 05/04/1997 member's normal contributions	£	15,580.48
Total member's AVCs	£	9,887.33
Current value of AVCs	£	11,003.44

Preserved benefits

Member's total pension at age 65 (per annum)	£	18,334.55
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Including:

- | | | |
|---|---|------------------|
| • Post 05/04/1997 pension at age 65 (per annum) | £ | 14,484.29 |
| • Pre 06/04/1988 GMP at age 65 (per annum) | £ | |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | 647.40 |
| • Total GMP at exit (per annum) | £ | 293.28 |

Special circumstances / additional information

Spouse's pension on death after retirement (per annum)	£	9,167.28
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Adjustment factor		0.99
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CASE STUDY DETAILS**RST SCHEME****TRANSFERS
QUESTION 4****Event history**

Date of first event	04/03/2021	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	DE NASSAU	Forenames	ANTONY
Date of birth	10/10/1971	Gender	MALE
Spouse's date of birth	04/09/1979		
Dependent child's date of birth			
Date of joining company	03/01/2020		
Date of joining scheme	06/04/2020		

Contribution history

Total member's normal contributions	£	1,718.88
Total member's AVC	£	
Current value of AVCs	£	

Preserved benefits from previous scheme

Pension payable at age 65 (per annum)	£	15,133.88
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Transfer value details from previous scheme

Member's total transfer value	£	47,008.99
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Including:

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|---|---|------------------|
| • Member's total contributions | £ | 19,566.98 |
| • Transfer value in respect of post 05/04/1997 benefits | £ | 40,662.78 |
| • Member's post 05/04/1997 contributions | £ | 16,974.35 |
| • Transfer value in respect of post 05/04/2006 benefits | £ | 23,034.41 |
| • Member's post 05/04/2006 contributions | £ | 9,587.82 |

Special circumstances / additional information

Antony De Nassau is considering transferring in his benefits from the registered Defined Benefit arrangement of his previous employer.

Adjustment factor	0.98
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CASE STUDY DETAILS**OPQ PLAN****TRANSFERS
QUESTION 5****Event history**

Date of first event	05/03/2021	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	MCDERMOTT	Forenames	EVA
Date of birth	08/10/1962	Gender	FEMALE
Spouse's date of birth	19/03/1953		
Dependent child's date of birth			
Date of joining company	11/10/2020		
Date of joining plan	11/10/2020		
Target retirement date	08/10/2022		

Contribution history

Total member's normal contributions	£	765.45
Total employer's normal contributions	£	1,224.72
Total member's AVCs	£	213.45

Personal Retirement Account details

Member's Current Unit Investment Choices

Fund	Member's normal contributions	Employer's normal contributions	Member's AVCs
	Allocation (%)	Allocation (%)	Allocation (%)
Global Equity Fund			
Index Linked Bond Fund			
Balanced Fund	15.00	15.00	15.00
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	85.00	85.00	85.00

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.110
Index Linked Bond Fund	1.320
Balanced Fund	4.351
Corporate Bond Fund	1.519
Cash Fund	1.029

Transfer value details from previous scheme

Member's total transfer value (including AVCs) £ **21,545.88**

Including:

- Current value of member's contributions £ **8,990.45**
- Current value of AVCs £ **6,565.99**

Special circumstances / additional information

Following Eva McDermott's written authority to proceed, the transfer in of her benefits from the registered Defined Contribution arrangement of her previous employer took place on 5 March 2021. The transfer in was allocated in accordance with Eva McDermott's current investment choices and was based on the Investment Fund Unit Prices detailed above.

THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 8)

CASE STUDY DETAILS**XYZ SCHEME****TRANSFERS
QUESTION 6****Event history**

Date of first event	06/03/2021	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	RAE	Forenames	LOGAN
Date of birth	06/06/1969	Gender	FEMALE
Spouse's date of birth	01/11/1967		
Dependent child's date of birth			
Date of joining company	17/04/2020		
Date of joining scheme	17/05/2020		
Category of membership	A		

Contribution history

Total member's normal contributions	£	944.53
Total member's AVCs	£	
Current value of AVCs	£	

Preserved benefits from previous scheme

Pension payable at age 65 (per annum)	£	11,999.76
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Including:

- | | | |
|---|---|---------------|
| • Pre 06/04/1988 GMP at age 65 (per annum) | £ | |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | 565.76 |
| • GMP at exit (per annum) | £ | 349.44 |

Transfer value details from previous scheme

Member's total transfer value (including GMP liability)	£	26,879.10
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Including:

- | | | |
|---|---|------------------|
| • Member's total contributions | £ | 10,675.88 |
| • Transfer value in respect of post 05/04/1997 benefits | £ | 20,428.12 |
| • Member's post 05/04/1997 contributions | £ | 8,113.67 |

Special circumstances / additional information

Logan Rae is considering transferring in her benefits from the registered Defined Benefit arrangement of her previous employer.

Adjustment factor	0.99
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