



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

RETIREMENTS PART 2

RETIREMENT BENEFITS WITH SPECIAL CIRCUMSTANCES

WEDNESDAY 10 MARCH 2021

9.30 AM – 1.00 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. 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 retirement benefits / options for:

1. **ADRIAN CLEMENS – (RST)**
2. **ISOBEL DOLAN – (RST)**
3. **MARTIN KING – (OPQ)**
4. **ANNA HOPP – (XYZ)**
5. **BERT DUIJVENBODE – (XYZ)**

Section B

6. Write a letter explaining the benefits payable and the options available to **ADRIAN CLEMENS**.

The letter may be addressed either 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”.

Pre 6 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 5,007.41

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 11,224.18

Special circumstances / additional information

Contractual Salary at date of first event £ 71,600.00

Pro-rata CPI from 6 April 2020 to date of first event is 1.80%.

On 3 February 2003, the Trustees (at the request of the Company) agreed that the Accrual Rate for Adrian Clemens' CARE Pension would be enhanced to 1/70ths for all Pensionable Service from 6 April 2003 onwards.

At the same time, the Trustees (at the request of the Company) agreed that the Accrual Rate for Adrian Clemens' Underpin Pension would be enhanced to 1/90ths for all Pensionable Service from 6 April 2003 onwards.

Adrian Clemens' current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

Pre 6 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 3,418.64

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 8,738.40

Special circumstances / additional information

Contractual Salary at date of first event £ 84,700.00

Pro-rata CPI from 6 April 2020 to date of first event is 1.80%

In the event of taking the tax-free cash sum option, Isobel Dolan has advised that the value of her AVCs should be taken as a cash sum first before commuting any other benefits. Any AVCs taken as pension should be deemed to be post 5 April 2006 AVCs.

Isobel Dolan's current available Lifetime Allowance is 100.00%.

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	37,754.6144	60,407.3831	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.147
Index Linked Bond Fund	1.399
Balanced Fund	4.117
Corporate Bond Fund	2.549
Cash Fund	1.014

Special circumstances / additional information

On 11 January 2017, the Trustees (at the request of the Company) made a one-off Augmentation payment of £12,000.00 to Martin King's Personal Retirement Account. Martin King instructed the Trustees to allocate the payment, which is not included in the above Unit Holdings, to the Cash Fund. The current Unit Holdings in the Cash Fund for the Augmentation payment is 11,950.4854 Units.

Martin King has requested quotations assuming he uses the overall value of his Personal Retirement Account to take either (a) the maximum tax-free cash sum available to him, with the balance being used to purchase a non-increasing, 50% joint-life annuity; or (b) £30,000.00 as a tax-free cash sum (subject to this being within the maximum permitted under the rules of the OPQ Retirement & Death Benefits Plan), with the balance being used to purchase a non-increasing, 50% joint-life annuity. When providing quotations for the annuity options, Martin King has requested that the "Annuity Bureau" factors should be used.

Martin King has additionally requested a quotation assuming he takes the entire proceeds of his Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum (UFPLS).

Martin King's current available Lifetime Allowance is 87.46%.

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

Anna Hopp's Final Pensionable Salary at 3 July 2011 was £47,400.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 29.4%.

Anna Hopp reduced her working days from full time (five days a week) to four days a week for the period from 9 April 1999 to 20 July 2007, inclusive. From 21 July 2007 onwards, Anna Hopp worked two days a week.

Anna Hopp's current available Lifetime Allowance is 100.00%.

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

Date of first event **09/06/2016** First event **PRESERVED LEAVER**
Date of second event **15/03/2021** Second event **RETIREMENT**

Member details

Surname **DUIJVENBODE** Forenames **BERT**
Date of birth **15/03/1956** Gender **MALE**
Spouse's date of birth **29/01/1960**
Dependent child's date of birth
Date of joining company **13/06/1986**
Date of joining scheme **13/07/1986**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2012	2013	2014	2015	2016	2017	2018	2019	2020

Contribution history

Total member's normal contributions **£ 21,045.82**
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)	£	338.52
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Post 05/04/1988

GMP (per annum)	£	2,049.84
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Special circumstances / additional information

Preserved pension (per annum) at date of first event	£	14,083.73
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Lower of 5.0% / RPI increases from date of first event to date of second event is 10.1%.

On 3 June 1990, Bert Duijvenbode transferred into the XYZ Pension and Life Assurance Scheme his benefits from the registered pension scheme of his former employer. The pension scheme was not contracted out.

The transfer in secured a pension of £2,084.42 per annum, which is payable from Bert Duijvenbode's Normal Pension Date. The transfer in is subject to the rules of the XYZ Pension and Life Assurance Scheme.

Bert Duijvenbode's current available Lifetime Allowance is 82.99%.