



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

DEATHS PART 2

DEATH BENEFITS WITH SPECIAL CIRCUMSTANCES

THURSDAY 11 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 death benefits / options for:

1. PAUL WOLFGANG – (RST)
2. TREVOR DONDER – (XYZ)
3. PERVEZ HOODBHOY – (RST)
4. EMILIE HENRIOT – (OPQ)
5. ALICE RICHARDSON – (XYZ)

Section B

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

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”.

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 2
QUESTION 1****Event history**

Date of first event **04/03/2021** First event **DEATH**
Date of second event Second event

Member details

Surname **WOLFGANG** Forenames **PAUL**
Date of birth **11/09/1970** Gender **MALE**
Spouse's date of birth **02/08/1960**
Dependent child's date of birth
Date of joining company **01/12/1993**
Date of joining scheme **06/04/1994**

Earnings history for the scheme year ending 5 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
38,960	37,228	38,510	41,332	40,690	38,225	39,350	37,881	36,550

Contribution history

Total member's normal contributions **£ 55,671.72**
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 2020

CARE pension (per annum) £ **6,356.34**

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ **7,786.92**

Special circumstances / additional information

Contractual Salary at date of first event (actual) £ **28,720.40**

Contractual Salary at date of first event (full-time equivalent) £ **35,900.50**

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

Paul Wolfgang worked full time (5 days a week) from the date he joined the Company until 5 September 2015, inclusive. From 6 September 2015, Paul Wolfgang varied his working week as follows:

- 6 September 2015 to 5 June 2019 = 4.5 days a week
- 6 June 2019 onwards = 4.0 days a week

Paul Wolfgang current available Lifetime Allowance is 100.00%.

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

Date of first event **12/04/2010** First event **PRESERVED LEAVER**
Date of second event **10/03/2021** Second event **DEATH**

Member details

Surname **DONDER** Forenames **TREVOR**
Date of birth **11/01/1968** Gender **MALE**
Spouse's date of birth **12/12/1979**
Dependent child's date of birth
Date of joining company **15/01/1987**
Date of joining scheme **15/02/1987**
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 **£ 99,879.84**
Total member's AVCs **£ 26,998.02**
Current value of AVCs **£ 91,578.66**
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) £ 41.60

Post 05/04/1988

GMP (per annum) £ 1,867.84

Special circumstances / additional information

Preserved pension (per annum) at date of first event £ 37,860.12

Lower of 5.0% / RPI increases from date of first event to date of second event is 34.8%.

Trevor Donder's current available Lifetime Allowance is 98.17%.

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

Date of first event **11/07/2018** First event **RETIREMENT**
Date of second event **02/03/2021** Second event **DEATH**

Member details

Surname **HOODBHOY** Forenames **PERVEZ**
Date of birth **11/01/1948** Gender **MALE**
Spouse's date of birth **16/11/1959**
Dependent child's date of birth
Date of joining company **12/03/2003**
Date of joining scheme **06/04/2003**

Earnings history for the scheme year ending 5 April

2012	2013	2014	2015	2016	2017	2018	2019	2020

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 **£**

Pre 6 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £

Special circumstances / additional information

Pension in payment at date of second event is £6,376.20 per annum, which is split as follows:

- Pre 6 April 2006 pension (per annum) £ 1,154.64
- Post 5 April 2006 pension (per annum) £ 5,221.56

Lower of 5.0% / RPI increases from date of first event to date of second event is 5.8%.

Lower of 2.5% / RPI increases from date of first event to date of second event is 5.0%.

On retirement, Pervez Hoodbhoy commuted £3,445.51 per annum of pension in return for a tax-free cash sum of £43,000.00. The commuted pension was split as follows:

- Pre 6 April 2006 pension (per annum) £
- Post 5 April 2006 pension (per annum) £ 3,445.51

At the date of the first event, the Company (with the consent of the Trustees) agreed that any spouse's pension payable on death after retirement would be augmented to 75.00% of Pervez Hoodbhoy's pre-commutation pension revalued to the date of death.

Pervez Hoodbhoy's current available Lifetime Allowance is 80.98%.

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

Date of first event **26/02/2021** First event **DEATH**
Date of second event Second event

Member details

Surname **HENRIOT** Forenames **EMILIE**
Date of birth **20/12/1963** Gender **FEMALE**
Spouse's date of birth **08/04/1964**
Dependent child's date of birth
Date of joining company **15/07/2004**
Date of joining plan **15/07/2004**
Target retirement date **20/12/2023**

Annual salary history for the plan year commencing 6 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
48,360	50,122	61,900	55,387	56,882	57,800	57,960	58,336	59,100

Contribution history

Total member's normal contributions **£ 40,118.35**
Total employer's normal contributions **£ 64,189.36**
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	7,901.1374	9,854.8463	
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund	16,840.6360	21,004.7288	
Cash Fund	7,374.8442	9,198.3819	
Lifestyle Fund			

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.690
Index Linked Bond Fund	1.531
Balanced Fund	4.902
Corporate Bond Fund	1.723
Cash Fund	1.165

Special circumstances / additional information

On 15 April 2007, Emilie Henriot transferred in to the OPQ Retirement & Death Benefits Plan her non-contracted-out benefits from the registered pension scheme of one of her previous employers. The value of Emilie Henriot's transferred-in benefits amounted to £162,960.53.

The transfer in, which is not included in Emilie Henriot's Personal Retirement Account detailed above, is currently invested as follows:

- Lifestyle Fund (Member): 25,693.3181 Units
- Lifestyle Fund (Employer): 32,046.3656 Units

Emilie Henriot'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 **03/03/2021** First event **DEATH**
Date of second event Second event

Member details

Surname **RICHARDSON** Forenames **ALICE**
Date of birth **18/09/1953** Gender **FEMALE**
Spouse's date of birth **16/08/1952**
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

2012	2013	2014	2015	2016	2017	2018	2019	2020
73,950	74,112	78,900	76,340	77,111	82,360	75,910	75,910	76,100

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**

Alice Richardson's Final Pensionable Salary at 3 July 2011 was £72,960.12.

Lower of 5.0% / RPI increases from 4 July 2011 to Normal Pension Date is 19.8%.

The Company (with the consent of the Trustees) agreed to enhance Alice Richardson's rate of pension accrual to 45ths for all Pensionable Service from 31 March 2002 onwards. The standard rate of pension accrual applied for all of Alice Richardson's Pensionable Service in the XYZ Pension and Life Assurance Scheme (Category B) prior to this date.

Alice Richardson's current available Lifetime Allowance is 100.00%.