



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

LEAVERS PART 2

LEAVERS' BENEFITS WITH SPECIAL CIRCUMSTANCES

FRIDAY 12 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.** 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 leaver benefits / options for:

1. **ROSALIND FUNK – (XYZ)**
2. **IYIOLA MUSA – (XYZ)**
3. **JAMES HARPER – (RST)**
4. **NICOLA WALKER – (OPQ)**
5. **MIKE PENN – (OPQ)**

Section B

6. Write a letter explaining the benefits payable and the options available to **ROSALIND FUNK**.

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”.

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £ 103.48

Special circumstances / additional information

Rosalind Funk paid the default contribution rate from the date she joined the XYZ Pension and Life Assurance Scheme until 5 April 2005, inclusive. From 6 April 2005 to 5 April 2007, Rosalind Funk adjusted her contribution to the higher rate. Rosalind Funk reverted to the default contribution rate from 6 April 2007 onwards.

Rosalind Funk's reason for leaving was resignation.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

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

Iyiola Musa's Final Pensionable Salary at 3 July 2011 was £32,236.00.

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

Iyiola Musa worked full time (five days a week) from the date he joined the Company until 12 December 2000, inclusive. From 13 December 2000 to 15 May 2003, Iyiola Musa worked four days a week. From 16 May 2003 onwards, Iyiola Musa worked three days a week.

Iyiola Musa's reason for leaving was resignation.

Pre 6 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 317.92

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 4,923.24

Special circumstances / additional information

Contractual Salary at date of first event £ 48,000.00

On 1 March 2021, the Company (with the consent of the Trustees) made a special one-off augmentation payment to the RST Pension Scheme as part of a termination agreement for James Harper. This payment purchased a non-escalating pension of £5,000.00 per annum, which is payable from James Harper's Normal Pension Date. The payment has no attaching spouse's pension.

The augmentation payment is not included in the figures shown above and should be excluded for the purpose of comparing the CARE pension with the Final Salary Underpin pension.

James Harper's reason for leaving was voluntary redundancy.

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

Date of first event **03/03/2021** First event **LEAVER**
Date of second event Second event

Member details

Surname **WALKER** Forenames **NICOLA**
Date of birth **31/03/1980** Gender **FEMALE**
Spouse's date of birth **14/07/1979**
Dependent child's date of birth
Date of joining company **14/09/2014**
Date of joining plan **14/09/2014**
Target retirement date

Annual salary history for the plan year commencing 6 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
		64,000	65,722	66,864	69,721	71,436	73,753	72,135

Contribution history

Total member's normal contributions **£ 23,100.00**
Total employer's normal contributions **£ 36,960.00**
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	5,135.4264	8,216.6822	
Index Linked Bond Fund	2,142.1351	3,427.4162	
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund			

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.412
Index Linked Bond Fund	1.426
Balanced Fund	4.583
Corporate Bond Fund	1.699
Cash Fund	1.030

Special circumstances / additional information

On 12 February 2021, Nicola Walker transferred into the OPQ Retirement & Death Benefits Plan the value of her Money Purchase benefits from a non-contracted out registered pension scheme of one of her former employers. The transfer value of £31,515.74 purchased an additional 30,613.5121 units in the Cash Fund. These units are not included in the Unit Holdings detailed above.

Nicola Walker's reason for leaving was resignation.

CASE STUDY DETAILS**OPQ PLAN****LEAVERS PART 2
QUESTION 5****Event history**

Date of first event **03/03/2021** First event **LEAVER**
Date of second event Second event

Member details

Surname **PENN** Forenames **MIKE**
Date of birth **19/01/1953** Gender **MALE**

Spouse's date of birth

Dependent child's date of birth

Date of joining company **12/02/2021**

Date of joining plan **12/02/2021**

Target retirement date **19/01/2023**

Annual salary history for the plan year commencing 6 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
								36,000

Contribution history

Total member's normal contributions **£ 150.00**
Total employer's normal contributions **£ 240.00**
Total member's AVCs **£ 300.00**

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			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	53.3512	85.3619	106.7024

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.412
Index Linked Bond Fund	1.426
Balanced Fund	4.583
Corporate Bond Fund	1.699
Cash Fund	1.030

Special circumstances / additional information

Mike Penn's reason for leaving was resignation.