



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

DEATHS PART 2

DEATH BENEFITS WITH SPECIAL CIRCUMSTANCES

THURSDAY 16 SEPTEMBER 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. ALICIA PROKOP – (OPQ)
2. ALBERTA MICHELOTTI – (XYZ)
3. CHARLES CORVER – (RST)
4. ZUO XIUDI – (RST)
5. BONTI BISHOP – (XYZ)

Section B

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

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”.

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			7,090.7675
Index Linked Bond Fund			200.9552
Balanced Fund			1,986.5557
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	18,728.2568	26,668.9353	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.825
Index Linked Bond Fund	1.542
Balanced Fund	4.993
Corporate Bond Fund	1.732
Cash Fund	1.168

Special circumstances / additional information

Alicia Prokop's current available Lifetime Allowance is 72.49%.

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

Date of first event **29/08/2021** First event **DEATH**
Date of second event Second event

Member details

Surname **MICHELOTTI** Forenames **ALBERTA**
Date of birth **12/02/1960** Gender **FEMALE**
Spouse's date of birth **08/09/1949**
Dependent child's date of birth
Date of joining company **18/02/1982**
Date of joining scheme **18/03/1982**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2013	2014	2015	2016	2017	2018	2019	2020	2021
89,255	91,600	98,650	89,995	88,700	90,155	91,260	88,500	87,366

Contribution history

Total member's normal contributions **£ 115,128.34**
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) £ 1,211.08

Post 05/04/1988

GMP (per annum) £ 1,516.32

Special circumstances / additional information

Salary at date of first event £ 81,250.50

Alberta Michelotti paid the default contribution rate (70ths accrual) from the date she joined the XYZ Pension and Life Assurance Scheme until 5 April 1990, inclusive.

From 6 April 1990, Alberta Michelotti varied her contribution rate to build up the following rates of pension accrual:

- 6 April 1990 to 5 April 1998 = 60ths
- 6 April 1998 to 5 April 2015 = 70ths
- 6 April 2015 onwards = 80ths

Alberta Michelotti's current available Lifetime Allowance is 100.00%.

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

Date of first event **02/09/2021** First event **DEATH**
 Date of second event Second event

Member details

Surname **CORVER** Forenames **CHARLES**
 Date of birth **08/06/1965** Gender **MALE**
 Spouse's date of birth **15/02/1966**
 Dependent child's date of birth
 Date of joining company **28/08/1998**
 Date of joining scheme **06/04/1999**

Earnings history for the scheme year ending 5 April

2013	2014	2015	2016	2017	2018	2019	2020	2021
62,900	64,332	71,950	70,112	71,800	81,563	70,950	72,847	73,100

Contribution history

Total member's normal contributions **£ 79,362.16**
 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 2021

CARE pension (per annum) £ 4,718.31

Post 5 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 14,247.91

Special circumstances / additional information

Contractual Salary at date of first event £ 84,800.00

Pro-rata CPI from 6 April 2021 to date of first event is 0.80%.

The Company (with the consent of the Trustees) agreed to augment the rate of pension accrual for Charles Corver's CARE Pension to 60ths for Pensionable Service from 6 June 2010 onwards.

It was also agreed by the Company (with the consent of the Trustees) to augment the rate of pension accrual to 80ths in the calculation of the Final Salary Underpin Pension for Pensionable Service from 6 June 2010 onwards.

Charles Corver's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 2
QUESTION 4****Event history**

Date of first event **26/08/2021** First event **DEATH**
Date of second event Second event

Member details

Surname **XIUDI** Forenames **ZUO**
Date of birth **12/03/1953** Gender **MALE**
Spouse's date of birth **30/08/1970**
Dependent child's date of birth **11/04/2004**
Date of joining company **15/02/1990**
Date of joining scheme **06/04/1990**

Earnings history for the scheme year ending 5 April

2013	2014	2015	2016	2017	2018	2019	2020	2021
92,350	90,566	92,800	94,992	91,350	96,850	98,100	99,260	101,447

Contribution history

Total member's normal contributions **£ 151,792.23**
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 2021

CARE pension (per annum) £ 20,357.88

Post 5 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 20,393.59

Special circumstances / additional information

Contractual Salary at date of first event (actual) £ 90,450.00

Contractual Salary at date of first event (full-time equivalent) £ 100,500.00

Pro-rata CPI from 6 April 2021 to date of first event is 0.80%.

Zuo Xiudi worked full time (5 days a week) from the date he joined the Company until 5 January 2000, inclusive. From 6 January 2000, Zuo Xiudi varied his working week as follows:

- 6 January 2000 to 5 December 2010 = 3.5 days a week
- 6 December 2010 to 5 March 2018 = 4.25 days a week
- 6 March 2018 onwards = 4.5 days a week

Zuo Xiudi's current available Lifetime Allowance is 100.00%.

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

Date of first event **16/02/2019** First event **RETIREMENT**
Date of second event **30/08/2021** Second event **DEATH**

Member details

Surname **BISHOP** Forenames **BONTI**
Date of birth **16/02/1951** Gender **MALE**
Spouse's date of birth **12/04/1962**
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

2013	2014	2015	2016	2017	2018	2019	2020	2021

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

Pension in payment at date of second event is £5,356.80 per annum.

Lower of 5.0% / RPI increases from date of first event to date of second event is 3.5%.

On retirement, Bonti Bishop commuted £3,314.76 per annum of pension in return for a tax-free cash sum of £43,357.80.

At the date of the first event, the Company (with the consent of the Trustees) agreed that the spouse's pension on death after retirement would be augmented to 72.50% of Bonti Bishop's pension, including any pension that he commuted for a tax-free cash sum.

Bonti Bishop's current available Lifetime Allowance is 86.93%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)