



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

RETIREMENTS PART 1

RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

TUESDAY 14 SEPTEMBER 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.** 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. **DEAN MORAHAN – (RST)**
2. **GORDON BALDWIN – (XYZ)**
3. **SUMALIA RADRADRA – (OPQ)**
4. **AVA THOMAS – (XYZ)**
5. **PABLO LANDAJO – (RST)**

Section B

6. Write a letter explaining the benefits payable and the options available to **DEAN MORAHAN**.

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 2021

CARE pension (per annum) £ 7,316.50

Post 5 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 10,986.05

Special circumstances / additional information

Contractual Salary at date of first event £ 62,500.00

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

Dean Morahan's current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

CASE STUDY DETAILS**XYZ SCHEME****RETIREMENTS PART 1
QUESTION 2****Event history**Date of first event **04/10/2021** First event **RETIREMENT**

Date of second event Second event

Member detailsSurname **BALDWIN** Forenames **GORDON**Date of birth **12/06/1952** Gender **MALE**Spouse’s date of birth **04/12/1965**

Dependent child’s date of birth

Date of joining company **01/03/1987**Date of joining scheme **01/04/1987**Category of membership **A****Pensionable salary history for the scheme year commencing 6 April**

2013	2014	2015	2016	2017	2018	2019	2020	2021
56,250	58,400	60,250	63,500	66,890	66,890	67,500	69,000	69,500

Contribution historyTotal member’s normal contributions **£ 22,490.82**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)	£	160.16
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Post 05/04/1988

GMP (per annum)	£	4,920.24
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Special circumstances / additional information

Gordon Baldwin paid the default contribution rate (70ths accrual) throughout his period of membership of the XYZ Pension and Life Assurance Scheme.

Gordon Baldwin's current available Lifetime Allowance is 78.39%.

CASE STUDY DETAILS**OPQ PLAN****RETIREMENTS PART 1
QUESTION 3****Event history**

Date of first event **04/05/2016** First event **PRESERVED LEAVER**
Date of second event **30/09/2021** Second event **RETIREMENT**

Member details

Surname **RADRADRA** Forenames **SUMALIA**
Date of birth **09/03/1962** Gender **FEMALE**
Spouse's date of birth **01/04/1960**
Dependent child's date of birth
Date of joining company **04/02/1999**
Date of joining plan **04/02/1999**
Target retirement date **09/03/2025**

Annual salary history for the plan year commencing 6 April

2013	2014	2015	2016	2017	2018	2019	2020	2021

Contribution history

Total member's normal contributions **£ 46,127.30**
Total employer's normal contributions **£ 73,892.45**
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			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	20,994.6805	33,572.7424	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.212
Index Linked Bond Fund	1.434
Balanced Fund	4.920
Corporate Bond Fund	1.532
Cash Fund	1.019

Special circumstances / additional information

Sumalia Radradra has requested a quotation assuming she uses the overall value of her Personal Retirement Account to take the maximum tax-free cash sum available to her with the balance being used to purchase a joint-life annuity. Sumalia Radradra has requested quotations using the "Annuity Bureau" factors for the following joint-life annuity options:

- a) Non-increasing
- b) Increasing annually at the lower of 5.0% / RPI

Sumalia Radradra has additionally requested a quotation assuming she takes the entire proceeds of her Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum (UFPLS).

Sumalia Radradra's current available Lifetime Allowance is 89.16%.

CASE STUDY DETAILS**XYZ SCHEME****RETIREMENTS PART 1
QUESTION 4****Event history**

Date of first event **01/10/2021** First event **ILL-HEALTH RETIREMENT**
Date of second event Second event

Member details

Surname **THOMAS** Forenames **AVA**
Date of birth **02/10/1962** Gender **FEMALE**
Spouse's date of birth **02/02/1952**
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

2013	2014	2015	2016	2017	2018	2019	2020	2021
46,000	47,750	49,400	50,250	52,500	53,900	55,500	56,450	58,000

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

Ava Thomas' Final Pensionable Salary at 3 July 2011 was £44,500.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 30.7%.

Ava Thomas' current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**RST SCHEME****RETIREMENTS PART 1
QUESTION 5****Event history**

Date of first event **27/09/2021** First event **RETIREMENT**

Date of second event Second event

Member details

Surname **LANDAJO** Forenames **PABLO**

Date of birth **27/09/1956** Gender **MALE**

Spouse's date of birth **11/08/1966**

Dependent child's date of birth

Date of joining company **12/12/2004**

Date of joining scheme **06/04/2005**

Earnings history for the scheme year ending 5 April

2013	2014	2015	2016	2017	2018	2019	2020	2021
36,500	38,000	40,000	41,200	43,200	45,500	47,500	49,000	51,000

Contribution history

Total member's normal contributions **£ 16,849.02**

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) £ 403.72

Post 5 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 7,985.30

Special circumstances / additional information

Contractual Salary at date of first event £ 53,900.00

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

Pablo Landajo's current available Lifetime Allowance is 89.42%.