



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

RETIREMENTS PART 1

RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

TUESDAY 22 MARCH 2022

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. **BORIS RYDZ – (XYZ)**
2. **LISA CROSS – (OPQ)**
3. **YUKI SHIBATA – (RST)**
4. **JANE JOYCE – (XYZ)**
5. **LUISA RODRIGUEZ – (RST)**

Section B

6. Write a letter explaining the benefits payable and the options available to **JANE JOYCE**.

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”.

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

Date of first event **15/03/2022** First event **RETIREMENT**
Date of second event Second event

Member details

Surname **RYDZ** Forenames **BORIS**
Date of birth **16/07/1964** Gender **MALE**
Spouse's date of birth **11/10/1975**
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
35,250	37,000	39,500	41,000	43,850	45,000	47,200	50,000	52,900

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

Boris Rydz's Final Pensionable Salary at 3 July 2011 was £34,750.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 34.1%.

Boris Rydz's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**OPQ PLAN****RETIREMENTS PART 1
QUESTION 2****Event history**

Date of first event **16/03/2022** First event **RETIREMENT**
 Date of second event Second event

Member details

Surname **CROSS** Forenames **LISA**
 Date of birth **16/03/1957** Gender **FEMALE**

Spouse's date of birth

Dependent child's date of birth

Date of joining company **04/02/2007**

Date of joining plan **04/02/2007**

Target retirement date

Annual salary history for the plan year commencing 6 April

2013	2014	2015	2016	2017	2018	2019	2020	2021
24,000	25,000	26,700	28,000	30,200	32,000	34,700	36,000	38,500

Contribution history

Total member's normal contributions **£ 21,486.90**
 Total employer's normal contributions **£ 34,379.06**
 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	2,504.1919	4,006.7071	
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund	1,983.7600	3,175.0600	
Cash Fund	11,669.0800	18,670.9300	
Lifestyle Fund			

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

Lisa Cross has requested a quotation assuming she takes 20.0% of the overall value of her Personal Retirement Account as a tax-free cash sum. For the remaining value of her Personal Retirement Account, Lisa Cross has requested single-life annuity quotations (based on the "Annuity Bureau" factors) for the following options:

- a) Non-increasing
- b) Increasing annually at the lower of 3.0% / RPI

Lisa Cross has additionally requested a quotation assuming she takes the entire proceeds of her Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum.

Lisa Cross' current available Lifetime Allowance is 89.05%.

CASE STUDY DETAILS**RST SCHEME****RETIREMENTS PART 1
QUESTION 3****Event history**

Date of first event **14/03/2022** First event **RETIREMENT**

Date of second event Second event

Member details

Surname **SHIBATA** Forenames **YUKI**

Date of birth **13/02/1953** Gender **MALE**

Spouse's date of birth **10/02/1963**

Dependent child's date of birth

Date of joining company **10/08/1999**

Date of joining scheme **06/04/2000**

Earnings history for the scheme year ending 5 April

2013	2014	2015	2016	2017	2018	2019	2020	2021
78,400	80,100	82,200	84,300	86,000	88,500	90,480	92,500	95,000

Contribution history

Total member's normal contributions **£ 94,825.16**

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) £ 9,898.24

Post 5 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 16,892.45

Special circumstances / additional information

Contractual Salary at date of first event £ 96,500.00

Pro-rata CPI from 6 April 2021 to date of first event is 3.3%.

Yuki Shibata's current available Lifetime Allowance is 85.95%.

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

Date of first event **14/03/2022** First event **ILL-HEALTH RETIREMENT**
Date of second event Second event

Member details

Surname **JOYCE** Forenames **JANE**
Date of birth **15/01/1965** Gender **FEMALE**
Spouse's date of birth **15/02/1963**
Dependent child's date of birth
Date of joining company **10/04/1991**
Date of joining scheme **10/05/1991**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2013	2014	2015	2016	2017	2018	2019	2020	2021
48,000	50,900	53,000	55,000	58,000	60,700	62,800	66,500	66,000

Contribution history

Total member's normal contributions **£ 70,354.02**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £ 2,299.44

Special circumstances / additional information

Jane Joyce paid the default contribution rate (70ths accrual) throughout her period of membership of the XYZ Pension and Life Assurance Scheme.

Jane Joyce’s current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

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

Date of first event **18/10/2013** First event **PRESERVED LEAVER**
Date of second event **20/03/2022** Second event **RETIREMENT**

Member details

Surname **RODRIGUEZ** Forenames **LUISA**
Date of birth **20/03/1957** Gender **FEMALE**
Spouse's date of birth **10/05/1950**
Dependent child's date of birth
Date of joining company **04/11/1993**
Date of joining scheme **06/04/1994**

Earnings history for the scheme year ending 5 April

2013	2014	2015	2016	2017	2018	2019	2020	2021

Contribution history

Total member's normal contributions **£ 40,253.70**
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) £

Post 5 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £

Special circumstances / additional information

Pre 6 April 2006 preserved CARE pension (per annum) at date of first event £ **10,895.30**

Post 5 April 2006 preserved CARE pension (per annum) at date of first event £ **8,098.98**

Lower of 5.0% / CPI increases from date of first event to date of second event is 25.4%.

Luisa Rodriguez's current available Lifetime Allowance is 60.10%.