



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

RETIREMENTS PART 2

RETIREMENT BENEFITS WITH SPECIAL CIRCUMSTANCES

WEDNESDAY 23 MARCH 2022

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 retirement benefits / options for:

1. **FLORIAN SCHINDLER – (OPQ)**
2. **LISA MATHERS – (RST)**
3. **DARIUS ILAGAN – (XYZ)**
4. **TOYOKAZU YAMADA – (RST)**
5. **MELANIE BARSTOW – (XYZ)**

Section B

6. Write a letter explaining the benefits payable and the options available to **TOYOKAZU YAMADA**.

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**OPQ PLAN****RETIREMENTS PART 2
QUESTION 1****Event history**

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

Member details

Surname **SCHINDLER** Forename **FLORIAN**
Date of birth **11/06/1952** Gender **MALE**
Spouse's date of birth **14/02/1960**
Dependent child's date of birth
Date of joining company **17/11/1999**
Date of joining plan **17/11/1999**
Target retirement date **11/06/2022**

Annual salary history for the plan year commencing 6 April

2013	2014	2015	2016	2017	2018	2019	2020	2021
42,000	45,000	47,700	49,900	52,000	54,800	56,250	58,500	60,800

Contribution history

Total member's normal contributions **£ 56,220.14**
Total employer's normal contributions **£ 89,952.48**
Total member's AVCs **£**

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	59,842.1060	95,748.2030	

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

On 11 June 2017, the Trustees (at the request of the Company) made a one-off augmentation payment of £20,000.00 to Florian Schindler's Personal Retirement Account. Florian Schindler instructed the Trustees to allocate the payment, which is not included in the above Unit Holdings, to the Balanced Fund. The current Unit Holdings in the Balanced Fund for the augmentation payment is 6,072.3828 Units.

Florian Schindler has requested quotations assuming he uses the overall value of his Personal Retirement Account to take either (a) the maximum tax-free cash sum available to him, with the balance being used to purchase a non-increasing single-life annuity; or (b) £50,000.00 as a tax-free cash sum (subject to this being within the maximum permitted under the rules of the OPQ Retirement & Death Benefits Plan), with the balance being used to purchase a non-increasing, 50% joint-life annuity. When providing quotations for the annuity options, Florian Schindler has requested that the "Annuity Bureau" factors should be used.

Florian Schindler has additionally requested a quotation assuming he takes the entire proceeds of his Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum (UFPLS).

Florian Schindler's current available Lifetime Allowance is 73.05%.

Pre 6 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 4,425.52

Post 5 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 9,984.92

Special circumstances / additional information

Contractual Salary at date of first event £ 85,900.00

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

In the event of taking the tax-free cash sum option, Lisa Mathers has advised that the value of her AVCs should be taken as a cash sum first before commuting any other benefits. Any AVCs taken as pension should be deemed to be post 5 April 2006 AVCs.

Lisa Mathers' current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**XYZ SCHEME****RETIREMENTS PART 2
QUESTION 3****Event history**

Date of first event **08/06/2014** First event **PRESERVED LEAVER**
Date of second event **17/03/2022** Second event **RETIREMENT**

Member details

Surname **ILAGAN** Forenames **DARIUS**
Date of birth **17/03/1957** Gender **MALE**
Spouse's date of birth **29/01/1970**
Dependent child's date of birth
Date of joining company **13/05/1985**
Date of joining scheme **13/06/1985**
Category of membership **A**

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 **£ 23,745.16**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum)	£	440.44
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Post 05/04/1988

GMP (per annum)	£	2,400.84
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Special circumstances / additional information

Preserved pension (per annum) at date of first event	£	16,918.60
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Lower of 5.0% / RPI increases from date of first event to date of second event is 18.9%.

On 4 February 1989, Darius Ilagan transferred into the XYZ Pension and Life Assurance Scheme his benefits from the registered pension scheme of his former employer. The pension scheme was not contracted out.

The transfer in secured a pension of £4,012.60 per annum, which is payable from Darius Ilagan's Normal Pension Date. The transfer in is subject to the rules of the XYZ Pension and Life Assurance Scheme.

Darius Ilagan's current available Lifetime Allowance is 75.30%.

Pre 6 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 6,984.12

Post 5 April 2006 pension accrued as at 5 April 2021

CARE pension (per annum) £ 12,645.98

Special circumstances / additional information

Contractual Salary at date of first event £ 69,000.00

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

On 1 April 2002, the Trustees (at the request of the Company) agreed that the Accrual Rate for Toyokazu Yamada's CARE Pension would be enhanced to 1/60ths for all Pensionable Service from 6 April 2002 onwards.

At the same time, the Trustees (at the request of the Company) agreed that the Accrual Rate for Toyokazu Yamada's Underpin Pension would be enhanced to 1/80ths for all Pensionable Service from 6 April 2002 onwards.

Toyokazu Yamada's current available Lifetime Allowance is 100.00%.

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

Melanie Barstow's Final Pensionable Salary at 3 July 2011 was £30,000.00.

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

Melanie Barstow reduced her working days from full time (five days a week) to three days a week for the period from 1 April 1998 to 30 June 2004, inclusive. From 1 July 2004 to 31 March 2006, inclusive, Melanie Barstow reduced her working days from three days a week to two days a week. From 1 April 2006 onwards, Melanie Barstow increased her working hours to five days a week.

Melanie Barstow's current available Lifetime Allowance is 100.00%.