**VOCATIONAL QUALIFICATIONS**

**RETIREMENTS PART 1**

**RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES**

**TUESDAY 13 SEPTEMBER 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 *Tables 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. **DANIEL JOHNSON – (RST)**

**2. SANDRA GARCIA – (OPQ)**

**3. STEVEN MCCARTHY – (XYZ)**

**4. HAIKO MATSUYAMA – (RST)**

**5. SHIVA PATHAN – (XYZ)**

**Section B**

**6.** Write a letter explaining the benefits payable and the options available to **DANIEL JOHNSON.**

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 RST SCHEME RETIREMENTS PART 1**

**QUESTION 1**

**Event history**

Date of first event **30/09/2022** First event **RETIREMENT**

Date of second event Second event

**Member details**

Surname **JOHNSON** Forenames **DANIEL**

Date of birth **04/10/1958** Gender **MALE**

Spouse’s date of birth **07/10/1968**

Child dependant’s date of birth **20/05/2005**

Date of joining company **09/09/1993**

Date of joining scheme **06/04/1994**

**Earnings history for the scheme year ending 5 April**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **48,500** | **50,500** | **52,500** | **55,750** | **57,000** | **59,200** | **60,750** | **62,000** | **65,100** |
|  |  |  |  |  |  |  |  |  |

**Contribution history**

Total member’s normal contributions **£** **49,237.08**

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 2022**

CARE pension (per annum) **£** **7,423 .05**

**Post 5 April 2006 pension accrued as at 5 April 2022**

CARE pension (per annum) **£** **12,465.98**

**Special circumstances / additional information**

Contractual Salary at date of first event  **£**  **65,500.00**

Pro-rata CPI from 6 April 2022 to date of first event is 2.1%.

Daniel Johnson’s current available Lifetime Allowance is 100.00%.

**THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)**

**RETIREMENTS 1**

**QUESTION 1**

**cASE STUDY DETAILS OPQ PLAN RETIREMENTS PART 1**

**QUESTION 2**

**Event history**

Date of first event **05/05/2015** First event **PRESERVED LEAVER**

Date of second event **30/09/2022** Second event **RETIREMENT**

**Member details**

Surname **GARCIA** Forenames **SANDRA**

Date of birth **04/02/1964**  Gender **FEMALE**

Spouse's date of birth **01/04/1960**

Child dependant's date of birth

Date of joining company **04/02/1998**

Date of joining plan **04/02/1998**

Target retirement date  **04/02/2026**

**Annual salary history for the plan year commencing 6 April**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

**Contribution history**

Total member's normal contributions **£** **37,245.98**

Total employer’s normal contributions **£ 59,595.88**

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 | 18,998.5600 | 30,398.7750 |  |

**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**

Sandra Garcia 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 single-life annuity. Sandra Garcia has requested quotations using the “Annuity Bureau” factors for the following single-life annuity options:

1. Non-increasing
2. Increasing annually at the lower of 5.0% / RPI

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

Sandra Garcia’s current available Lifetime Allowance is 91.68%.

**RETIREMENTS 1**

**QUESTION 2**

**cASE STUDY DETAILS XYZ SCHEME RETIREMENTS PART 1**

**QUESTION 3**

**Event history**

Date of first event **01/10/2022** First event **RETIREMENT**

Date of second event Second event

**Member details**

Surname **MCCARTHY** Forenames **STEVEN**

Date of birth **10/07/1953** Gender **MALE**

Spouse’s date of birth **01/12/1965**

Child dependant’s date of birth

Date of joining company **01/09/1987**

Date of joining scheme **01/10/1987**

Category of membership **A**

**Pensionable salary history for the scheme year commencing 6 April**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **56,250** | **57,400** | **59,250** | **63,500** | **62,500** | **63,890** | **66,500** | **69,000** | **71,500** |
|  |  |  |  |  |  |  |  |  |

**Contribution history**

Total member’s normal contributions **£ 23,475.05**

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) **£** **60.32**

Post 05/04/1988

GMP (per annum) **£ 4,944.16**

**Special circumstances / additional information**

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

Steven McCarthy’s current available Lifetime Allowance is 70.30%.

**RETIREMENTS 1**

**QUESTION 3**

**cASE STUDY DETAILS RST SCHEME RETIREMENTS PART 1**

**QUESTION 4**

**Event history**

Date of first event **28/09/2022** First event **RETIREMENT**

Date of second event Second event

**Member details**

Surname **MATSUYAMA** Forenames **HAIKO**

Date of birth **28/09/1957** Gender **MALE**

Spouse’s date of birth **10/09/1966**

Child dependant’s date of birth

Date of joining company **01/10/2004**

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

**Earnings history for the scheme year ending 5 April**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **36,500** | **38,000** | **40,000** | **42,200** | **44,200** | **46,500** | **48,500** | **50,000** | **53,000** |
|  |  |  |  |  |  |  |  |  |

**Contribution history**

Total member’s normal contributions **£** **17,369.08**

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 2022**

CARE pension (per annum) **£** **495.28**

**Post 5 April 2006 pension accrued as at 5 April 2022**

CARE pension (per annum) **£** **8,895.90**

**Special circumstances / additional information**

Contractual Salary at date of first event  **£**  **53,600.00**

Pro-rata CPI from 6 April 2022 to date of first event is 2.1%.

Haiko Matsuyama’s current available Lifetime Allowance is 81.96%.

**RETIREMENTS 1**

**QUESTION 4**

**cASE STUDY DETAILS XYZ SCHEME RETIREMENTS PART 1**

**QUESTION 5**

**Event history**

Date of first event **02/10/2022** First event **ILL-HEALTH RETIREMENT**

Date of second event Second event

**Member details**

Surname **PATHAN** Forenames **SHIVA**

Date of birth **03/10/1965** Gender **FEMALE**

Spouse’s date of birth **28/11/1954**

Child dependant’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**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **49,000** | **50,750** | **52,400** | **54,250** | **55,500** | **56,900** | **58,500** | **60,450** | **62,000** |
|  |  |  |  |  |  |  |  |  |

**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**

Shiva Pathan’s Final Pensionable Salary at 3 July 2011 was £46,595.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 38.3%.

Shiva Pathan’s current available Lifetime Allowance is 100.00%.

**RETIREMENTS 1**

**QUESTION 5**