**VOCATIONAL QUALIFICATIONS**

**DEATHS PART 2**

**DEATH BENEFITS WITH SPECIAL**

**CIRCUMSTANCES**

**THURSDAY 15 SEPTEMBER 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 *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 death benefits / options for:

**1. ANU PESHAWARIA – (RST)**

**2. KEN FLETCHER – (RST)**

**3. RENE LACOSTE – (XYZ)**

**4. SUZANNE LENGLEN – (XYZ)**

**5. KHO SIN-KHIE – (OPQ)**

**Section B**

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

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”.

**CASE STUDY DETAILS RST SCHEME DEATHS PART 2**

**QUESTION 1**

**Event history**

Date of first event **26/08/2022** First event **DEATH**

Date of second event Second event

**Member details**

Surname **PESHAWARIA** Forenames **ANU**

Date of birth **15/06/1974** Gender **FEMALE**

Spouse’s date of birth **05/01/1970**

Child dependant’s date of birth **16/05/2010**

Date of joining company **30/08/1999**

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

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **38,900** | **37,115** | **38,650** | **39,111** | **35,320** | **36,900** | **36,338** | **36,800** | **37,775** |

**Contribution history**

Total member’s normal contributions **£** **49,654.63**

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) **£** **3,345.80**

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

CARE pension (per annum) **£**  **9,329.70**

**Special circumstances / additional information**

Contractual Salary at date of first event (actual)  **£**  **21,422.50**

Contractual Salary at date of first event (full-time equivalent)  **£**  **38,950.00**

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

Anu Peshawaria worked full time (5 days a week) from the date she joined the Company until 5 March 2002, inclusive. From 6 March 2002, Anu Peshawaria varied her working week as follows:

* 6 March 2002 to 5 December 2015 = 2.0 days a week
* 6 December 2015 to 5 January 2021 = 3.5 days a week
* 6 January 2021 onwards = 2.75 days a week

Anu Peshawaria’s current available Lifetime Allowance is 100.00%.

**DEATHS 2**

**QUESTION 1**

**CASE STUDY DETAILS RST SCHEME DEATHS PART 2**

**QUESTION 2**

**Event history**

Date of first event **06/09/2022** First event **DEATH**

Date of second event Second event

**Member details**

Surname **FLETCHER** Forenames **KEN**

Date of birth **26/03/1953** Gender **MALE**

Spouse’s date of birth **02/01/1968**

Child dependant’s date of birth

Date of joining company **28/11/1993**

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** |
|  |  |  |  |  |  |  |  |  |
| **78,998** | **81,300** | **85,960** | **87,105** | **88,990** | **89,100** | **88,655** | **90,120** | **91,358** |

**Contribution history**

Total member’s normal contributions **£** **111,411.40**

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) **£** **9,958.73**

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

CARE pension (per annum) **£** **19,372.02**

**Special circumstances / additional information**

Contractual Salary at date of first event  **£**  **91,500.00**

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

The Company (with the consent of the Trustees) agreed to augment the rate of Pension Accrual for Ken Fletcher’ CARE Pension to 60ths for Pensionable Service from 6 January 2018.

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 January 2018.

Ken Fletcher’s current available Lifetime Allowance is 100.00%.

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

**DEATHS 2**

**QUESTION 2**

**cASE STUDY DETAILS XYZ SCHEME DEATHS PART 2**

**QUESTION 3**

**Event history**

Date of first event **31/05/2019** First event **RETIREMENT**

Date of second event **03/09/2022** Second event **DEATH**

**Member details**

Surname **LACOSTE** Forenames **RENE**

Date of birth **31/05/1950** Gender **MALE**

Spouse’s date of birth **14/06/1951**

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** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

**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 £10,009.75 per annum (which includes a transferred-in element of £1,100.24 per annum).

Lower of 5.0% / RPI increases from date of first event to date of second event is 8.6%.

On retirement, Rene Lacoste commuted £3,894.08 per annum of pension in return for a tax-free cash sum of £50,000.00.

Rene Lacoste’s current available Lifetime Allowance is 69.81%.

**DEATHS 2**

**QUESTION 3**

**cASE STUDY DETAILS XYZ SCHEME DEATHS PART 2**

**QUESTION 4**

**Event history**

Date of first event **20/08/2022** First event **DEATH**

Date of second event Second event

**Member details**

Surname **LENGLEN** Forenames **SUZANNE**

Date of birth **17/12/1958** Gender **FEMALE**

Spouse's date of birth **02/02/1968**

Child dependant’s date of birth

Date of joining company **14/01/1986**

Date of joining scheme **14/02/1986**

Category of membership **A**

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **112,970** | **114,966** | **120,100** | **125,996** | **125,350** | **128,900** | **145,996** | **130,115** | **137,405** |
|  |  |  |  |  |  |  |  |  |

**Contribution history**

Total member’s normal contributions **£ 168,127.48**

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) **£ 479.96**

Post 05/04/1988

GMP (per annum) **£ 1,290.12**

**Special circumstances / additional information**

Salary at date of first event **£ 135,900.00**

Suzanne Lenglen paid the default contribution rate (70ths accrual) from the date she joined the XYZ Pension and Life Assurance Scheme until 5 April 1996, inclusive.

From 6 April 1996, Suzanne Lenglen varied her contribution rate to build up the following rates of pension accrual:

* 6 April 1996 to 5 April 2015 = 60ths
* 6 April 2015 to 5 April 2016 = 70ths
* 6 April 2016 onwards = 80ths

Suzanne Lenglen’s current available Lifetime Allowance is 100.00%.

**DEATHS 2**

**QUESTION 4**

**cASE STUDY DETAILS OPQ PLAN DEATHS PART 2**

**QUESTION 5**

**Event history**

Date of first event **04/11/2016** First event **PRESERVED LEAVER**

Date of second event **06/09/2022** Second event **DEATH**

**Member details**

Surname **SIN-KHIE** Forenames **KHO**

Date of birth **18/02/1960** Gender **MALE**

Spouse's date of birth **29/01/1961**

Child dependant’s date of birth

Date of joining company **14/05/2002**

Date of joining plan **14/05/2002**

Target retirement date  **18/02/2025**

**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 **£**  **27,431.72**

Total employer’s normal contributions **£ 43,890.76**

Total member's AVCs **£ 15,115.21**

**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 |  |  | 1,577.9920 |
| Corporate Bond Fund |  |  | 6,338.1998 |
| Cash Fund |  |  |  |
| Lifestyle Fund | 17,254.9156 | 27,607.8679 |  |

**Investment Fund Unit Prices**

|  |  |
| --- | --- |
| **Fund** | **Current Unit Price (£)** |
| Global Equity Fund | 5.719 |
| Index Linked Bond Fund | 1.533 |
| Balanced Fund | 4.851 |
| Corporate Bond Fund | 1.793 |
| Cash Fund | 1.170 |

**Special circumstances / additional information**

Kho Sin-Khie’s current available Lifetime Allowance is 93.58%.

**DEATHS 2**

**QUESTION 5**