**VOCATIONAL QUALIFICATIONS**

**RETIREMENTS PART 1**

**RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES**

**TUESDAY 21 MARCH 2023 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 box provided.

**3.** Show all workings clearly.

**4.** Calculate the benefits using only the information given.

**5.** Where the benefits are likely to exceed the remaining Individual Lifetime Allowance, state in your answer box that you would refer the case to your manager.

**6.** 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. **JANE MCLAREN – (OPQ)**

**2. MATTHEW DENG – (XYZ)**

**3. MOHAMMED BAHEBRI – (RST)**

**4. ANDREA DELANEY – (XYZ)**

**5. LEE HEE-CHAN – (RST)**

**Section B**

**6.** Write a letter explaining the benefits payable and the options available to **MATTHEW DENG.**

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 1**

**QUESTION 1**

**Event history**

Date of first event **18/03/2023** First event **RETIREMENT**

Date of second event Second event

**Member details**

Surname **MCLAREN** Forenames **JANE**

Date of birth **18/03/1958**  Gender **FEMALE**

Spouse's date of birth

Child dependant's date of birth

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

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

Target retirement date

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **28,000** | **31,000** | **33,700** | **35,000** | **37,200** | **39,000** | **41,700** | **42,000** | **44,500** |

**Contribution history**

Total member's normal contributions **£** **23,745.98**

Total employer’s normal contributions **£ 37,984.52**

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 | 3,100.7050 | 4,960.2800 |  |
| Index Linked Bond Fund |  |  |  |
| Balanced Fund | 984.2500 | 1,574.6302 |  |
| Corporate Bond Fund | 1,983.7600 | 3,175.0600 |  |
| Cash Fund | 10,698.0550 | 17,136.6050 |  |
| 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**

Jane McLaren has requested a quotation assuming she takes 15.0% of the overall value of her Personal Retirement Account as a tax-free cash sum. For the remaining value of her Personal Retirement Account, Jane McLaren has requested single-life annuity quotations (based on the “Annuity Bureau” factors) for the following options:

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

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

Jane McLaren’s current available Lifetime Allowance is 82.94%.

**RETIREMENTS 1**

**QUESTION 1**

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

**QUESTION 2**

**Event history**

Date of first event **15/03/2023** First event **ILL-HEALTH RETIREMENT**

Date of second event Second event

**Member details**

Surname **DENG** Forenames **MATTHEW**

Date of birth **01/10/1965** Gender **MALE**

Spouse’s date of birth **16/10/1974**

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** |
|  |  |  |  |  |  |  |  |  |
| **36,000** | **36,500** | **37,500** | **38,600** | **40,850** | **42,000** | **43,200** | **45,000** | **46,900** |

**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**

Matthew Deng’s Final Pensionable Salary at 3 July 2011 was £32,960.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 42.5%.

Matthew Deng’s current available Lifetime Allowance is 100.00%.

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

**RETIREMENTS 1**

**QUESTION 2**

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

**QUESTION 3**

**Event history**

Date of first event **16/05/2014** First event **PRESERVED LEAVER**

Date of second event **23/03/2023** Second event **RETIREMENT**

**Member details**

Surname **BAHEBRI** Forenames **MOHAMMED**

Date of birth **23/03/1958** Gender **MALE**

Spouse’s date of birth **10/05/1968**

Child dependant’s date of birth

Date of joining company **08/12/1992**

Date of joining scheme **06/04/1993**

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

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

**Contribution history**

Total member’s normal contributions **£** **42,056.98**

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) **£**

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

CARE pension (per annum) **£**

**Special circumstances / additional information**

Pre 6 April 2006 preserved CARE pension (per annum) at date  **£**  **11,656.20**

of first event

Post 5 April 2006 preserved CARE pension (per annum) at date **£ 9,837.16**

of first event

Lower of 5.0% / CPI increases from date of first event to date of second event is 29.8%.

Mohammed Bahebri’s current available Lifetime Allowance is 60.10%.

**RETIREMENTS 1**

**QUESTION 3**

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

**QUESTION 4**

**Event history**

Date of first event **14/03/2023** First event **RETIREMENT**

Date of second event Second event

**Member details**

Surname **DELANEY** Forenames **ANDREA**

Date of birth **15/08/1965** Gender **FEMALE**

Spouse’s date of birth **02/04/1961**

Child dependant’s date of birth

Date of joining company **07/02/1991**

Date of joining scheme **07/03/1991**

Category of membership **A**

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **49,000** | **50,900** | **52,500** | **54,000** | **56,000** | **58,700** | **60,800** | **62,500** | **64,000** |

**Contribution history**

Total member’s normal contributions **£ 65,179.35**

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) **£ 2,176.72**

**Special circumstances / additional information**

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

Andrea Delaney’s current available Lifetime Allowance is 100.00%.

**RETIREMENTS 1**

**QUESTION 4**

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

**QUESTION 5**

**Event history**

Date of first event **19/03/2023** First event **RETIREMENT**

Date of second event Second event

**Member details**

Surname **HEE-CHAN** Forenames **LEE**

Date of birth **21/04/1954** Gender **MALE**

Spouse’s date of birth **19/03/1959**

Child dependant’s date of birth

Date of joining company **12/09/1999**

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** |
|  |  |  |  |  |  |  |  |  |
| **68,400** | **70,100** | **72,200** | **74,300** | **76,000** | **78,500** | **80,300** | **82,500** | **84,900** |
|  |  |  |  |  |  |  |  |  |

**Contribution history**

Total member’s normal contributions **£** **88,929.40**

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) **£** **8,498.92**

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

CARE pension (per annum) **£** **15,469.28**

**Special circumstances / additional information**

Contractual Salary at date of first event  **£**  **86,000.00**

Pro-rata CPI from 6 April 2022 to date of first event is 4.6%.

Lee Hee-Chan’s current available Lifetime Allowance is 79.38%.

**RETIREMENTS 1**

**QUESTION 5**