**VOCATIONAL QUALIFICATIONS**

**RETIREMENTS PART 2**

**RETIREMENT BENEFITS WITH SPECIAL CIRCUMSTANCES**

**WEDNESDAY 22 MARCH 2023 9.30 AM – 1.00 PM**

**TIME ALLOWED: 3 HOURS 30 MINUTES**

**1.** Answer **ALL** the questions.

**2.** Type 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. **NATALIE TIMBER – (RST)**

**2. CHRISTIAN AARONSON – (XYZ)**

**3. JOSEPH MOORE – (OPQ)**

**4. DAICHI MITOMA – (XYZ)**

**5. MARYAM DIENG – (RST)**

**Section B**

**6.** Write a letter explaining the benefits payable and the options available to **MARYAM DIENG.**

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 2**

**QUESTION 1**

**Event history**

Date of first event **14/03/2023** First event **ILL-HEALTH RETIREMENT**

Date of second event Second event

**Member details**

Surname **TIMBER** Forename **NATALIE**

Date of birth **15/05/1965**  Gender **FEMALE**

Spouse’s date of birth **04/01/1962**

Child dependant’s date of birth

Date of joining company **13/01/1999**

Date of joining scheme **06/04/1999**

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **74,500** | **76,800** | **78,250** | **79,000** | **81,000** | **82,500** | **85,000** | **89,000** | **91,500** |

**Contribution history**

Total member’s normal contributions **£** **73,595.80**

Total member’s AVCs **£** **99,858.42**

Current value of AVCs **£ 173,690.58**

Single life AVC pension (per annum) payable immediately **£ 9,580.05**

Joint life AVC pension (per annum) payable immediately **£ 8,274.39**

**Pre 6 April 2006 pension accrued as at 5 April 2022**

CARE pension (per annum) **£** **6,918.50**

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

CARE pension (per annum) **£** **13,769.58**

**Special circumstances / additional information**

Contractual Salary at date of first event **£** **97,830.00**

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

In the event of taking the tax-free cash sum option, Natalie Timber 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.

Natalie Timber’s current available Lifetime Allowance is 100.00%.

**RETIREMENTS 2**

**QUESTION 1**

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

**QUESTION 2**

**Event history**

Date of first event **12/03/2023** First event **RETIREMENT**

Date of second event  Second event

**Member details**

Surname **AARONSON** Forename **CHRISTIAN**

Date of birth **14/03/1963** Gender **MALE**

Spouse’s date of birth **19/03/1973**

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** |
|  |  |  |  |  |  |  |  |  |
| **42,000** | **42,300** | **43,400** | **45,000** | **46,100** | **47,900** | **49,250** | **50,500** | **52,300** |
|  |  |  |  |  |  |  |  |  |

**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**

Christian Aaronson’s Final Pensionable Salary at 3 July 2011 was £40,000.00.

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

Christian Aaronson reduced his working days from full time (five days a week) to three days a week for the period from 1 April 1998 to 30 June 2002. From 1 July 2002 to 30 April 2006, Christian Aaronson increased his working days from three days a week to four days a week. From 1 May 2006 onwards, Christian Aaronson increased his working hours to five days a week.

Christian Aaronson’s current available Lifetime Allowance is 100.00%.

**RETIREMENTS 2**

**QUESTION 2**

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

**QUESTION 3**

**Event history**

Date of first event **15/03/2023** First event **RETIREMENT**

Date of second event Second event

**Member details**

Surname **MOORE**  Forename **JOSEPH**

Date of birth **02/06/1954** Gender **MALE**

Spouse's date of birth **14/02/1960**

Child dependant’s date of birth

Date of joining company **18/11/2000**

Date of joining plan **18/11/2000**

Target retirement date  **02/06/2024**

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **75,000** | **77,000** | **79,700** | **80,900** | **82,000** | **84,800** | **87,250** | **89,500** | **91,800** |

**Contribution history**

Total member's normal contributions **£ 89,889.24**

Total employer’s normal contributions **£ 143,974.94**

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 | 64,829.5010 | 103,726.4060 |  |

**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 1 June 2019, the Trustees (at the request of the Company) made a one-off augmentation payment of £35,000.00 to Joseph Moore’s Personal Retirement Account. Joseph Moore instructed the Trustees to allocate the payment, which is not included in the above Unit Holdings, to the Cash Fund. The current Unit Holdings in the Cash Fund in respect of the augmentation payment is 35,978.2450 Units.

Joseph Moore 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 50% joint-life annuity; or (b) £100,000.00 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 single-life annuity, increasing annually at the lower of 5.0% / RPI. When providing quotations for the annuity options, Joseph Moore has requested that the “Annuity Bureau” factors should be used.

Joseph Moore 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).

Joseph Moore’s current available Lifetime Allowance is 69.18%.

**RETIREMENTS 2**

**QUESTION 3**

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

**QUESTION 4**

**Event history**

Date of first event **08/06/2013** First event **PRESERVED LEAVER**

Date of second event **20/03/2023** Second event **RETIREMENT**

**Member details**

Surname **MITOMA** Forenames **DAICHI**

Date of birth **20/03/1958** Gender **MALE**

Spouse’s date of birth **11/06/1965**

Child dependant’s date of birth

Date of joining company **10/06/1983**

Date of joining scheme **10/07/1983**

Category of membership **A**

**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 **£ 21,406.42**

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) **£** **470.60**

Post 05/04/1988

GMP (per annum) **£ 2,497.04**

**Special circumstances / additional information**

Preserved pension (per annum) at date of first event **£ 15,965.80**

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

On 17 March 1989, Daichi Mitoma transferred into the XYZ Pension and Life Assurance Scheme his benefits from a registered pension scheme of one of his former employers. The pension scheme was not contracted out.

The transfer in secured a fixed pension of £4,259.58 per annum, payable from Daichi Mitoma’s Normal Pension Date. Once in payment, the transferred-in pension is subject to the normal rules of the XYZ Pension and Life Assurance Scheme. The transferred-in pension is not included in the Scheme pension quoted above but should be included in the calculation of Daichi Mitoma’s benefit options at retirement.

Daichi Mitoma’s current available Lifetime Allowance is 69.18%.

**RETIREMENTS 2**

**QUESTION 4**

**cASE STUDY DETAILS RST SCHEME RETIREMENTS PART 2**

**QUESTION 5**

**Event history**

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

Date of second event Second event

**Member details**

Surname **DIENG** Forename **MARYAM**

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

Spouse’s date of birth **19/03/1952**

Child dependant’s date of birth

Date of joining company **14/08/1997**

Date of joining scheme **06/04/1998**

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **60,000** | **62,100** | **64,500** | **65,250** | **67,300** | **69,100** | **71,600** | **73,250** | **75,000** |

**Contribution history**

Total member’s normal contributions **£** **63,791.58**

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) **£**  **7,136.50**

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

CARE pension (per annum) **£** **16,372.04**

**Special circumstances / additional information**

Contractual Salary at date of first event **£ 78,500.00**

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

In March 2012, the Trustees (at the request of the Company) agreed that the Accrual Rate for Maryam Dieng’s CARE Pension would be enhanced to 1/60ths for all Pensionable Service from 6 April 2012 onwards.

At the same time, the Trustees (at the request of the Company) agreed that the Accrual Rate for Maryam Dieng’s Underpin Pension would be enhanced to 1/75ths for all Pensionable Service from 6 April 2012 onwards.

Maryam Dieng’s current available Lifetime Allowance is 100.00%.

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

**RETIREMENTS 2**

**QUESTION 5**