**VOCATIONAL QUALIFICATIONS**

**DEATHS PART 2**

**DEATH BENEFITS WITH SPECIAL**

**CIRCUMSTANCES**

**THURSDAY 23 MARCH 2023 8.30 AM – 12.00 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 the 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 death benefits / options for:

**1. HARRY HUNT – (RST)**

**2. ELIZABETH WHELDON – (XYZ)**

**3. VIVIENNE COHEN – (XYZ)**

**4. BERNARD VON FAULHABER – (RST)**

**5. PEGGY WHITSON – (OPQ)**

**Section B**

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

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 **03/02/2020** First event **RETIREMENT**

Date of second event **19/03/2023** Second event **DEATH**

**Member details**

Surname **HUNT** Forenames **HARRY**

Date of birth **03/02/1955** Gender **MALE**

Spouse’s date of birth **19/07/1963**

Child dependant’s date of birth

Date of joining company **05/04/1995**

Date of joining scheme **06/04/1995**

**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 **£**

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**

Pension in payment at date of second event is £31,786.68per annum, which is split as follows:

* Pre 6 April 2006 pension (per annum) **£ 16,572.24**
* Post 5 April 2006 pension (per annum) **£ 15,214.44**

Lower of 5.0% / RPI increases from date of first event to date of second event is 6.1%.

Lower of 2.5% / RPI increases from date of first event to date of second event is 3.6%.

On retirement, Harry Hunt commuted £17,218.78 per annum of pension in return for a tax-free cash sum of £237,619.10. The commuted pension was split as follows:

* Pre 6 April 2006 pension (per annum) **£**
* Post 5 April 2006 pension (per annum) **£ 17,218.78**

At the date of the first event, the Company (with the consent of the Trustees) agreed that any spouse’s pension payable on death after retirement would be augmented to 60.00% of Harry Hunt’s pre-commutation pension revalued to the date of his death (subject to the spouse’s pension not exceeding Harry Hunt’s actual pension in payment at the date of his death).

Harry Hunt’s current available Lifetime Allowance is 44.84%.

**DEATHS 2**

**QUESTION 1**

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

**QUESTION 2**

**Event history**

Date of first event **08/03/2023** First event **DEATH**

Date of second event Second event

**Member details**

Surname **WHELDON** Forenames **ELIZABETH**

Date of birth **08/03/1955** Gender **FEMALE**

Spouse’s date of birth **19/04/1952**

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** |
|  |  |  |  |  |  |  |  |  |
| **45,889** | **46,224** | **47,300** | **51,226** | **52,100** | **53,699** | **54,150** | **55,806** | **57,411** |

**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**

Salary at date of first event **£ 56,950.00**

Elizabeth Wheldon’s Final Pensionable Salary at 3 July 2011 was £43,186.59.

Lower of 5.0% / RPI increases from 4 July 2011 to Normal Pension Date is 36.7%.

Elizabeth Wheldon worked full time (5 days a week) from the date she joined the Company until 26 May 2008, inclusive. From 27 May 2008, Elizabeth Wheldon varied her working week as follows:

* 27 May 2008 to 18 October 2010 = 4.0 days a week
* 19 October 2010 to 30 November 2010 = 3.75 days a week
* 1 December 2010 onwards = 3.5 days a week

Elizabeth Wheldon’s current available Lifetime Allowance is 100.00%.

**DEATHS 2**

**QUESTION 2**

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

**QUESTION 3**

**Event history**

Date of first event **02/12/1996** First event **PRESERVED LEAVER**

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

**Member details**

Surname **COHEN** Forenames **VIVIENNE**

Date of birth **02/02/1963** Gender **FEMALE**

Spouse's date of birth **12/11/1975**

Child dependant’s date of birth

Date of joining company **02/02/1983**

Date of joining scheme **02/03/1983**

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 **£** **13,146.67**

Total member's AVCs **£ 8,492.53**

Current value of AVCs **£ 16,987.55**

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) **£** **1,860.56**

Post 05/04/1988

GMP (per annum) **£ 1,849.12**

**Special circumstances / additional information**

Preserved pension (per annum) at date of first event **£ 4,656.63**

Lower of 5.0% / RPI increases from date of first event to date of second event is 206.7%.

Vivienne Cohen’s current available Lifetime Allowance is 56.32%.

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

**DEATHS 2**

**QUESTION 3**

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

**QUESTION 4**

**Event history**

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

Date of second event Second event

**Member details**

Surname **VON FAULHABER** Forenames **BERNARD**

Date of birth **12/05/1968** Gender **MALE**

Spouse’s date of birth **01/04/1980**

Child dependant’s date of birth

Date of joining company **08/02/1991**

Date of joining scheme **06/04/1991**

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **158,360** | **161,255** | **170,558** | **181,900** | **183,112** | **188,500** | **192,130** | **201,630** | **210,117** |

**Contribution history**

Total member’s normal contributions **£** **252,973.63**

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) **£** **28,465.79**

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

CARE pension (per annum) **£** **40,735.51**

**Special circumstances / additional information**

Contractual Salary at date of first event  **£**  **205,610.00**

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

The Company (with the consent of the Trustees) agreed to augment the Accrual Rate to be used in the calculation of Bernard von Faulhaber’s CARE Pension to 45ths for Pensionable Service from 6 December 2000 onwards.

At the same time, it was agreed by the Company (with the consent of the Trustees) to augment the Accrual Rate to be used in the calculation of Bernard Faulhaber’s Final Salary Underpin Pension to 70ths for Pensionable Service from 6 December 2000 onwards.

Bernard von Faulhaber’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 **02/03/2023** First event **DEATH**

Date of second event Second event

**Member details**

Surname **WHITSON** Forenames **PEGGY**

Date of birth **04/04/1960** Gender **FEMALE**

Spouse's date of birth

Child dependant's date of birth

Date of joining company **05/02/2009**

Date of joining plan **05/02/2009**

Target retirement date  **04/04/2025**

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|  |  |  |  |  |  |  |  |  |
| **32,950** | **33,115** | **34,350** | **38,952** | **38,100** | **37,520** | **37,580** | **37,665** | **38,050** |

**Contribution history**

Total member's normal contributions **£**  **18,754.20**

Total employer’s normal contributions **£ 30,006.72**

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 | 10,930.2513 | 17,488.3955 |  |

**Investment Fund Unit Prices**

|  |  |
| --- | --- |
| **Fund** | **Current Unit Price (£)** |
| Global Equity Fund | 5.733 |
| Index Linked Bond Fund | 1.564 |
| Balanced Fund | 4.804 |
| Corporate Bond Fund | 1.721 |
| Cash Fund | 1.201 |

**Special circumstances / additional information**

On 15 April 2011, Peggy Whitson transferred in to the OPQ Retirement & Death Benefits Plan her non-contracted-out benefits from the registered pension scheme of one of her previous employers. The value of Peggy Whitson’s transferred-in benefits amounted to £67,338.12.

The transfer in, which is not included in Peggy Whitson’s Personal Retirement Account detailed above, is currently invested as follows:

* Index Linked Bond Fund (Member): 9,612.5904 Units
* Index Linked Bond Fund (Employer): 16,318.1800 Units
* Corporate Bond Fund (Member): 10,574.8060 Units
* Corporate Bond Fund (Employer): 17,951.6219 Units

Peggy Whitson’s current available Lifetime Allowance is 100.00%.

**DEATHS 2**

**QUESTION 5**