



**Pensions  
Management  
Institute**

# **VOCATIONAL QUALIFICATIONS**

## **RETIREMENTS PART 1**

### **RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES**

**TUESDAY 19 SEPTEMBER 2023**

**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 retirement benefits / options for:

1. **SCOTT ENGLISH – (XYZ)**
2. **WINIFRED CLARK – (OPQ)**
3. **RYUTARO KATSURAGAWA – (RST)**
4. **VICTORIA HOVLAND – (XYZ)**
5. **KEITH BURNS – (RST)**

### Section B

6. Write a letter explaining the benefits payable and the options available to **RYUTARO KATSURAGAWA**.

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****XYZ SCHEME****RETIREMENTS PART 1  
QUESTION 1****Event history**

Date of first event      **04/10/2023**                      First event      **RETIREMENT**  
Date of second event    Second event

**Member details**

Surname                      **ENGLISH**                      Forenames      **SCOTT**  
Date of birth                      **03/09/1954**                      Gender              **MALE**  
Spouse's date of birth    **01/12/1964**  
Child dependant's date of birth  
Date of joining company    **01/11/1986**  
Date of joining scheme    **01/12/1986**  
Category of membership    **A**

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

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>61,250</b>	<b>64,400</b>	<b>66,250</b>	<b>68,500</b>	<b>70,500</b>	<b>68,890</b>	<b>66,500</b>	<b>68,000</b>	<b>71,000</b>

**Contribution history**

Total member's normal contributions    **£ 24,989.58**  
Total member's AVCs    **£**  
Current value of AVCs    **£**  
Single life AVC pension (per annum) payable immediately    **£**  
Joint life AVC pension (per annum) payable immediately    **£**

**Contracting-out details at date of first event**

Pre 06/04/1988

GMP (per annum)	£	<b>135.20</b>
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Post 05/04/1988

GMP (per annum)	£	<b>5,195.84</b>
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**Special circumstances / additional information**

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

Scott English's current available Lifetime Allowance is 72.34%.



## Personal Retirement Account details

### Member's Current Unit Holdings

<b>Fund</b>	<b>Member's normal contributions</b>	<b>Employer's normal contributions</b>	<b>Member's AVCs</b>
	<b>Unit Holdings</b>	<b>Unit Holdings</b>	<b>Unit Holdings</b>
Global Equity Fund			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	20,424.5610	32,679.8140	

### Investment Fund Unit Prices

<b>Fund</b>	<b>Current Unit Price (£)</b>
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**

Winifred Clark 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 joint-life annuity. Winifred Clark has requested quotations using the "Annuity Bureau" factors for the following joint-life annuity options:

- a) Non-increasing
- b) Increasing annually at the lower of 5.0% / RPI

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

Winifred Clark's current available Lifetime Allowance is 100.00%.



**Pre 6 April 2006 pension accrued as at 5 April 2023**

CARE pension (per annum) £ 5,594.28

**Post 5 April 2006 pension accrued as at 5 April 2023**

CARE pension (per annum) £ 11,246.60

**Special circumstances / additional information**

Contractual Salary at date of first event £ 53,500.00

Pro-rata CPI from 6 April 2023 to date of first event is 2.5%.

Ryutaro Katsuragawa's current available Lifetime Allowance is 100.00%.

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



**CASE STUDY DETAILS****XYZ SCHEME****RETIREMENTS PART 1  
QUESTION 4****Event history**

Date of first event      **02/10/2023**                      First event      **ILL-HEALTH RETIREMENT**  
Date of second event    Second event

**Member details**

Surname                      **HOVLAND**                      Forenames      **VICTORIA**  
Date of birth                      **30/11/1967**                      Gender              **FEMALE**  
Spouse's date of birth    **30/10/1955**  
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**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>60,000</b>	<b>61,750</b>	<b>62,400</b>	<b>64,250</b>	<b>65,500</b>	<b>67,900</b>	<b>69,500</b>	<b>71,450</b>	<b>73,000</b>

**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**

Victoria Hovland's Final Pensionable Salary at 3 July 2011 was £56,500.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 49.6%.

Victoria Hovland's current available Lifetime Allowance is 100.00%.

**CASE STUDY DETAILS****RST SCHEME****RETIREMENTS PART 1  
QUESTION 5****Event history**

Date of first event     **07/10/2023**                      First event     **RETIREMENT**

Date of second event    Second event

**Member details**

Surname                    **BURNS**                      Forenames     **KEITH**

Date of birth               **07/10/1958**                      Gender         **MALE**

Spouse's date of birth    **02/10/1968**

Child dependant's date of birth

Date of joining company    **01/12/2004**

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

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

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>62,500</b>	<b>64,000</b>	<b>66,000</b>	<b>68,200</b>	<b>71,200</b>	<b>73,500</b>	<b>76,500</b>	<b>80,000</b>	<b>84,000</b>

**Contribution history**

Total member's normal contributions    **£ 29,848.95**

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 2023**

CARE pension (per annum) £ 750.35

**Post 5 April 2006 pension accrued as at 5 April 2023**

CARE pension (per annum) £ 13,987.50

**Special circumstances / additional information**

Contractual Salary at date of first event £ 87,500.00

Pro-rata CPI from 6 April 2023 to date of first event is 2.5%.

Keith Burns' current available Lifetime Allowance is 75.35%.