



## Questions

### Section A

Calculate the retirement benefits / options for:

1. **ERIC MITCHELL – (OPQ)**
2. **JOO-HYUNG RYO – (XYZ)**
3. **PATRICIA REED – (RST)**
4. **GORDON ABRAHAM – (XYZ)**
5. **CHARLOTTE HOFFMAN – (RST)**

### Section B

6. Write a letter explaining the benefits payable and the options available to **JOO-HYUNG RYO**.

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”.



## 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	6,008.0500	9,612.8020	
Index Linked Bond Fund	25,754.1620	41,206.4080	
Balanced Fund	5,846.0210	9,353.6000	
Corporate Bond Fund	28,428.0450	45,484.8160	
Cash Fund			
Lifestyle Fund			

### 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**

Shortly prior to his retirement from the OPQ Retirement & Death Benefits Plan ("the Plan"), Eric Mitchell transferred into the Plan his non-contracted out benefits from the registered pension scheme of one of his previous employers. The transferred-in funds, which were valued at £54,928.50, are invested in the Cash Fund. The number of units held is 54,010.2065 and these are not included in the above Unit Holdings.

Eric Mitchell has requested quotations assuming he uses the overall value of his fund to take either (a) no tax-free cash sum, with the whole of his fund being used to purchase a joint-life annuity increasing annually at the lower of 2.5% / RPI, or (b) the maximum tax-free cash sum available to him, with the balance being used to purchase a non-increasing, single-life annuity. When providing quotations for the different annuity options, Eric Mitchell has requested that the "Annuity Bureau" factors should be used.

Eric Mitchell has additionally requested a quotation assuming he takes the entire proceeds of his Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum.

Eric Mitchell's current available Lifetime Allowance is 74.32%.

**CASE STUDY DETAILS****XYZ SCHEME****RETIREMENTS PART 2  
QUESTION 2****Event history**

Date of first event      **28/09/2023**                      First event      **RETIREMENT**  
Date of second event    Second event

**Member details**

Surname                      **RYO**                      Forenames      **JOO-HYUNG**  
Date of birth                      **30/09/1966**                      Gender      **MALE**  
Spouse's date of birth    **07/06/1974**  
Child dependant's date of birth    **21/10/2007**  
Date of joining company    **03/03/1993**  
Date of joining scheme    **03/04/1993**  
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>74,000</b>	<b>75,300</b>	<b>77,200</b>	<b>79,000</b>	<b>81,475</b>	<b>83,000</b>	<b>85,300</b>	<b>87,000</b>	<b>84,500</b>

**Contribution history**

Total member's normal contributions    **£ 82,495.16**  
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) £ **791.96**

### **Special circumstances / additional information**

Joo-Hyung Ryo paid the default contribution rate (70ths accrual) from the date he joined the XYZ Pension and Life Assurance Scheme until 5 April 1997. From 6 April 1997, Joo-Hyung Ryo varied his contribution rate to build up the following rates of pension accrual:

- 6 April 1997 to 5 April 2002 = 60ths
- 6 April 2002 to 5 April 2011 = 80ths
- 6 April 2011 to 5 April 2019 - 70ths
- 6 April 2019 onwards = 60ths

Joo-Hyung Ryo's current available Lifetime Allowance is 100.00%.

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



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

CARE pension (per annum) £ 3,197.68

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

CARE pension (per annum) £ 9,887.93

**Special circumstances / additional information**

Contractual Salary at date of first event (full-time equivalent) £ 54,500.00

Contractual Salary at date of first event (actual) £ 32,700.00

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

Patricia Reed reduced her working days from full-time (five days a week) to four days a week for the period from 1 August 2006 to 31 May 2009, inclusive.

Patricia Reed further reduced her working days to two days a week from 1 June 2009 to 30 June 2016, inclusive.

Patricia Reed increased her working days to three days a week from 1 July 2016 onwards.

When being provided with the tax-free cash sum option, Patricia Reed has specified that she would like to take £60,000.00 as a cash sum, subject to this being within the maximum permitted under the rules of the RST Pension Scheme.

Patricia Reed's current available Lifetime Allowance is 89.05%.





### **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**

Preserved pension (per annum) at date of first event £ **11,669.80**

Lower of 5.0% / RPI increases from date of first event to date of second event is 32.7%.

When being provided with the tax-free cash sum option, Gordon Abraham has specified that he would like to take £100,000.00 as a cash sum, subject to this being within the maximum permitted under the rules of the XYZ Pension and Life Assurance Scheme.

In the event of taking his tax-free cash sum, Gordon Abraham has advised that the value of his AVCs should be taken as a cash sum first before commuting any other benefits.

Gordon Abraham's current available Lifetime Allowance is 74.32%.



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

CARE pension (per annum) £ 9,998.88

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

CARE pension (per annum) £ 13,876.90

**Special circumstances / additional information**

Contractual Salary at date of first event £ 52,400.00

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

The Trustees (at the request of the Company) agreed that the accrual rate for Charlotte Hoffman's CARE Pension should be uplifted to 60ths of her Pensionable Earnings for all Pensionable Service from 6 April 2010 onwards. It was also agreed that an uplift in the accrual rate to 70ths should apply to the calculation of the Final Salary Underpin Pension from 6 April 2010 onwards.

Charlotte Hoffman's current available Lifetime Allowance is 100.00%.