



**Pensions  
Management  
Institute**

# **VOCATIONAL QUALIFICATIONS**

## **DEATHS PART 2**

### **DEATH BENEFITS WITH SPECIAL CIRCUMSTANCES**

**THURSDAY 21 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 death benefits / options for:

1. **SUZANNAH REEDLING – (RST)**
2. **FATOU DIOP – (XYZ)**
3. **NORA MEZHER – (RST)**
4. **JOHN RAVEN – (OPQ)**
5. **WOODROW PECKER – (XYZ)**

### Section B

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

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      **08/09/2023**                      First event      **DEATH**

Date of second event                                              Second event

**Member details**

Surname                      **REEDLING**                      Forenames      **SUZANNAH**

Date of birth                      **02/04/1952**                      Gender              **FEMALE**

Spouse's date of birth                                              **19/12/1964**

Dependent child's date of birth

Date of joining company                                              **01/11/2003**

Date of joining scheme                                              **06/04/2004**

**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>71,350</b>	<b>72,993</b>	<b>78,100</b>	<b>77,100</b>	<b>75,296</b>	<b>75,350</b>	<b>76,112</b>	<b>76,300</b>	<b>76,305</b>

**Contribution history**

Total member's normal contributions                                              **£ 81,023.58**

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 2023**

CARE pension (per annum) £ 1,817.77

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

CARE pension (per annum) £ 17,039.64

**Special circumstances / additional information**

Contractual Salary at date of first event (actual) £ 67,613.51

Contractual Salary at date of first event (full-time equivalent) £ 75,126.12

Pro-rata CPI from 6 April 2023 to date of first event is 2.50%.

Suzannah Reedling worked part time (3 days a week) from the date she joined the Company until 5 May 2015, inclusive. From 6 May 2015, Suzannah Reedling varied her working week as follows:

- 6 May 2015 to 5 December 2020 = 4.0 days a week
- 6 December 2020 to 5 November 2021 = 4.25 days a week
- 6 November 2021 onwards = 4.5 days a week

Suzannah Reedling's current available Lifetime Allowance is 100.00%.

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

**CASE STUDY DETAILS**

**XYZ SCHEME**

**DEATHS PART 2  
QUESTION 2**

**Event history**

Date of first event   **19/12/2020**                      First event    **RETIREMENT**  
Date of second event   **01/09/2023**                      Second event    **DEATH**

**Member details**

Surname                      **DIOP**                      Forenames    **FATOU**  
Date of birth                      **19/10/1950**                      Gender        **FEMALE**  
Spouse’s date of birth                      **02/02/1939**  
Dependent child’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>

**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**

Pension in payment at date of second event is £14,921.64 per annum.

Lower of 5.0% / RPI increases from date of first event to date of second event is 11.6%.

On retirement, Fatou Diop commuted £4,178.28 per annum of pension in return for a tax-free cash sum of £72,200.68.

At the date of the first event, the Company (with the consent of the Trustees) agreed that the spouse's pension on death after retirement would be augmented to 60.00% of Fatou Diop's pension. The increased rate of spouse's pension does not apply to any pension commuted for a tax-free cash sum.

Fatou Diop's current available Lifetime Allowance is 71.59%.

**CASE STUDY DETAILS****RST SCHEME****DEATHS PART 2  
QUESTION 3****Event history**

Date of first event **29/08/2023** First event **DEATH**  
Date of second event Second event

**Member details**

Surname **MEZHER** Forenames **NORA**  
Date of birth **12/01/1974** Gender **FEMALE**  
Spouse's date of birth **18/02/1975**  
Child dependant's date of birth  
Date of joining company **12/01/1994**  
Date of joining scheme **06/04/1994**

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

2015	2016	2017	2018	2019	2020	2021	2022	2023
48,350	45,991	48,700	49,150	52,108	53,663	59,114	57,200	60,125

**Contribution history**

Total member's normal contributions **£ 71,715.09**  
Total member's AVCs **£ 16,552.12**  
Current value of AVCs **£ 26,100.58**  
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) £ 6,760.65

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

CARE pension (per annum) £ 11,629.97

**Special circumstances / additional information**

Contractual Salary at date of first event £ 59,225.00

Pro-rata CPI from 6 April 2023 to date of first event is 2.50%.

Nora Mezher's current available Lifetime Allowance is 100.00%.



**CASE STUDY DETAILS****OPQ PLAN****DEATHS PART 2  
QUESTION 4****Event history**

Date of first event **15/02/2020** First event **PRESERVED LEAVER**  
 Date of second event **07/09/2023** Second event **DEATH**

**Member details**

Surname **CRAVEN** Forenames **JOHN**  
 Date of birth **12/09/1960** Gender **MALE**  
 Spouse's date of birth **02/02/1962**  
 Child dependant's date of birth  
 Date of joining company **16/05/2005**  
 Date of joining plan **16/05/2005**  
 Target retirement date **12/09/2025**

**Annual salary history for the plan 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>

**Contribution history**

Total member's normal contributions **£ 26,115.22**  
 Total employer's normal contributions **£ 41,784.35**  
 Total member's AVCs **£**

## 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	15,296.1211	24,473.7920	

### Investment Fund Unit Prices

<b>Fund</b>	<b>Current Unit Price (£)</b>
Global Equity Fund	5.794
Index Linked Bond Fund	1.520
Balanced Fund	4.981
Corporate Bond Fund	1.800
Cash Fund	1.174

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

On 3 September 2006, John Craven transferred in to the OPQ Retirement & Death Benefits Plan his non-contracted-out benefits from the registered pension scheme of one of his previous employers. The value of John Craven's transferred-in benefits amounted to £3,126.22.

The transfer in, which is not included in John Craven's Personal Retirement Account detailed above, is currently invested as follows:

- Balanced Fund (Member): 122.8155 Units
- Balanced Fund (Employer): 204.6859 Units
- Corporate Bond Fund (Member): 482.7260 Units
- Corporate Bond Fund (Employer): 804.5434 Units

John Craven's current available Lifetime Allowance is 96.42%.

**CASE STUDY DETAILS****XYZ SCHEME****DEATHS PART 2  
QUESTION 5****Event history**

Date of first event      **04/09/2023**                      First event      **DEATH**  
Date of second event                                      Second event

**Member details**

Surname                      **PECKER**                      Forenames      **WOODROW**  
Date of birth                      **09/09/1958**                      Gender              **MALE**  
Spouse's date of birth                                      **06/02/1970**  
Child dependant's date of birth  
Date of joining company                                      **04/09/1981**  
Date of joining scheme                                      **04/10/1981**  
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>88,925</b>	<b>89,100</b>	<b>90,522</b>	<b>101,447</b>	<b>91,250</b>	<b>98,900</b>	<b>96,333</b>	<b>97,250</b>	<b>99,113</b>

**Contribution history**

Total member's normal contributions                                      **£ 135,915.82**  
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) £ 2,143.44

Post 05/04/1988

GMP (per annum) £ 3,033.16

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

Salary at date of first event £ 101,995.00

Woodrow Pecker paid the default contribution rate (70ths accrual) from the date he joined the XYZ Pension and Life Assurance Scheme until 5 April 2010, inclusive.

From 6 April 2010, Woodrow Pecker varied his contribution rate to build up the following rates of pension accrual:

- 6 April 2010 to 5 April 2020 = 60ths
- 6 April 2020 to 5 April 2021 = 80ths
- 6 April 2021 onwards = 70ths

Woodrow Pecker's current available Lifetime Allowance is 100.00%.