



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

RETIREMENTS PART 1

RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

TUESDAY 12 MARCH 2024

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 your workings clearly.
- 5.** Calculate the benefits and options 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.** Round all factors and figures in accordance with the instructions provided in the *Tables of Factors* and the *Scheme / Plan Booklets*.

Questions

Section A

Calculate the retirement benefits / options for:

1. **ROBERT MANSELL – (RST)**
2. **MON LOK ZONG – (XYZ)**
3. **MARTINE CROSS – (OPQ)**
4. **RADEK HORVAT – (RST)**
5. **GABRIELLE WILLIAMS – (XYZ)**

Section B

6. Write a letter explaining the benefits payable and the options available to **MON LOK ZONG**.

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 1
QUESTION 1****Event history**

Date of first event **04/09/2010** First event **PRESERVED LEAVER**
Date of second event **09/03/2024** Second event **RETIREMENT**

Member details

Surname **MANSELL** Forenames **ROBERT**
Date of birth **09/03/1959** Gender **MALE**
Spouse's date of birth **03/09/1969**
Child dependant's date of birth
Date of joining company **08/12/1991**
Date of joining scheme **06/04/1992**

Earnings history for the scheme year ending 5 April

2015	2016	2017	2018	2019	2020	2021	2022	2023

Contribution history

Total member's normal contributions **£ 37,968.10**
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) £

Post 5 April 2006 pension accrued as at 5 April 2023

CARE pension (per annum) £

Special circumstances / additional information

Pre 6 April 2006 preserved CARE pension (per annum) at date of first event £ **10,969.88**

Post 5 April 2006 preserved CARE pension (per annum) at date of first event £ **7,135.06**

Lower of 5.0% or CPI increases from date of first event to date of second event is 32.7%.

Robert Mansell's current available Lifetime Allowance is 59.85%.

CASE STUDY DETAILS**XYZ SCHEME****RETIREMENTS PART 1****QUESTION 2****Event history**

Date of first event **10/03/2024** First event **ILL-HEALTH RETIREMENT**

Date of second event Second event

Member details

Surname **ZONG** Forenames **MON LOK**

Date of birth **01/08/1965** Gender **MALE**

Spouse's date of birth **09/01/1968**

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

2015	2016	2017	2018	2019	2020	2021	2022	2023
36,000	38,500	40,500	42,600	44,850	46,000	48,200	49,000	50,300

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

Mon Lok Zong's Final Pensionable Salary at 3 July 2011 was £32,750.00.

Lower of 5.0% or RPI increases from 4 July 2011 to date of first event is 54.2%.

Mon Lok Zong's current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

CASE STUDY DETAILS

OPQ PLAN

**RETIREMENTS PART 1
QUESTION 3**

Event history

Date of first event **09/03/2024** First event **RETIREMENT**
Date of second event Second event

Member details

Surname **CROSS** Forenames **MARTINE**
Date of birth **09/03/1958** Gender **FEMALE**
Spouse's date of birth **10/06/1955**
Child dependant's date of birth
Date of joining company **04/02/2007**
Date of joining plan **04/02/2007**
Target retirement date

Annual salary history for the plan year commencing 6 April

2015	2016	2017	2018	2019	2020	2021	2022	2023
29,000	31,000	34,000	36,300	39,200	41,000	43,700	45,000	47,500

Contribution history

Total member's normal contributions **£ 42,985.37**
Total employer's normal contributions **£ 68,987.85**
Total member's AVCs **£**

Personal Retirement Account details

Member's Current Unit Holdings

Fund	Member's normal contributions	Employer's normal contributions	Member's AVCs
	Unit Holdings	Unit Holdings	Unit Holdings
Global Equity Fund	8,942.0160	14,315.2380	
Index Linked Bond Fund	12,145.6050	19,437.2700	
Balanced Fund	989.8050	1,588.9960	
Corporate Bond Fund			
Cash Fund	12,469.0580	19,958.8600	
Lifestyle Fund			

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

Martine Cross has requested a quotation assuming she takes 20.0% of the overall value of her Personal Retirement Account as a tax-free cash sum. For the remaining value of her Personal Retirement Account, Martine Cross has requested quotations for the following annuity options (based on the "Annuity Bureau" factors):

- a) Non-increasing – (*single life*)
- b) Increasing annually at the lower of 5.0% or RPI – (*50% joint life*)

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

Martine Cross' current available Lifetime Allowance is 85.90%.

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

Date of first event **20/03/2024** First event **RETIREMENT**
Date of second event Second event

Member details

Surname **HORVAT** Forenames **RADEK**
Date of birth **21/05/1954** Gender **MALE**
Spouse's date of birth **03/11/1961**
Child dependant's date of birth
Date of joining company **09/09/2000**
Date of joining scheme **06/04/2001**

Earnings history for the scheme year ending 5 April

2015	2016	2017	2018	2019	2020	2021	2022	2023
35,400	37,100	39,200	41,300	44,000	45,500	46,300	47,500	48,900

Contribution history

Total member's normal contributions **£ 45,239.78**
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) £ 4,735.52

Post 5 April 2006 pension accrued as at 5 April 2023

CARE pension (per annum) £ 8,982.94

Special circumstances / additional information

Contractual Salary at date of first event £ 52,000.00

Pro-rata CPI from 6 April 2023 to date of first event is 4.8%.

Radek Horvat's current available Lifetime Allowance is 69.18%.

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

Date of first event **18/03/2024** First event **RETIREMENT**
Date of second event Second event

Member details

Surname **WILLIAMS** Forenames **GABRIELLE**
Date of birth **16/09/1967** Gender **FEMALE**
Spouse's date of birth **07/01/1963**
Child dependant's date of birth
Date of joining company **05/01/1993**
Date of joining scheme **05/02/1993**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2015	2016	2017	2018	2019	2020	2021	2022	2023
29,000	30,900	32,500	34,000	36,000	39,700	44,800	41,500	43,000

Contribution history

Total member's normal contributions **£ 42,987.35**
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) £ **1,396.72**

Special circumstances / additional information

Gabrielle Williams paid the default contribution rate (70ths accrual) throughout her period of membership of the XYZ Pension and Life Assurance Scheme.

Gabrielle Williams' current available Lifetime Allowance is 100.00%.