



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

RETIREMENTS PART 2

RETIREMENT BENEFITS WITH SPECIAL CIRCUMSTANCES

WEDNESDAY 13 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. **JAMES CAMPBELL – (OPQ)**
2. **HARUKI SUZUKI – (XYZ)**
3. **JOANNE KEANE – (RST)**
4. **JANE WADE – (RST)**
5. **KRYSZTOF PIETRECZKO – (XYZ)**

Section B

6. Write a letter explaining the benefits payable and the options available to **JANE WADE**.

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

Fund	Member's normal contributions	Employer's normal contributions	Member's AVCs
	Unit Holdings	Unit Holdings	Unit Holdings
Global Equity Fund			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	68,916.1240	110,266.4050	

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

On 1 April 2021, the Trustees (at the request of the Company) made a one-off augmentation payment of £50,000.00 to James Campbell's Personal Retirement Account. James Campbell instructed the Trustees to allocate the entire augmentation payment to the Cash Fund. This secured 49,504.2820 Units. These Units in the Cash Fund are additional to the Unit Holdings detailed above.

James Campbell has requested quotations assuming he uses the overall value of his Personal Retirement Account to take either (a) the maximum tax-free cash sum available to him, with the balance being used to purchase a non-increasing single-life annuity; or (b) £125,000.00 as a tax-free cash sum (subject to this being within the maximum permitted under the rules of the OPQ **Retirement & Death Benefits Plan**), with the balance being used to purchase a 50% joint-life annuity, increasing annually at the lower of 3.0% or RPI. When providing quotations for the annuity options, James Campbell has requested that the "Annuity Bureau" factors should be used.

James Campbell has additionally requested a quotation assuming he takes the entire proceeds of his Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum (UFPLS).

James Campbell's current available Lifetime Allowance is 73.05%.

**RETIREMENTS 2
QUESTION 1**

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

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

Member details

Surname **SUZUKI** Forename **HARUKI**
Date of birth **04/01/1963** Gender **MALE**
Spouse's date of birth **07/03/1973**
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
32,000	34,300	36,400	39,000	41,100	43,900	47,250	44,250	45,250

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

Haruki Suzuki's Final Pensionable Salary at 3 July 2011 was £29,500.00 (*full-time equivalent*).

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

Haruki Suzuki worked on a full-time basis (five days a week) from the date he joined the Company until 28 February 1999. Haruki Suzuki then reduced his working days as follows:

- 1 March 1999 to 31 December 2001 = 4.0 days
- 1 January 2002 to 30 April 2010 = 3.0 days
- 1 May 2010 onwards = 4.0 days

Haruki Suzuki's current available Lifetime Allowance is 100.00%.

Pre 6 April 2006 pension accrued as at 5 April 2023

CARE pension (per annum) £ 4,892.50

Post 5 April 2006 pension accrued as at 5 April 2023

CARE pension (per annum) £ 10,645.20

Special circumstances / additional information

Contractual Salary at date of first event £ 68,000.00

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

In the event of taking the tax-free cash sum option, Joanne Keane has advised that the value of her AVCs should be taken as a cash sum first before commuting any other benefits. Any AVCs taken as pension should be deemed to be post 5 April 2006 AVCs.

Joanne Keane's current available Lifetime Allowance is 100.00%.

Pre 6 April 2006 pension accrued as at 5 April 2023

CARE pension (per annum) £ 7,013.06

Post 5 April 2006 pension accrued as at 5 April 2023

CARE pension (per annum) £ 17,365.98

Special circumstances / additional information

Contractual Salary at date of first event £ 73,500.00

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

In February 2010, the Trustees (at the request of the Company) agreed that the Accrual Rate for Jane Wade's CARE Pension would be enhanced to 1/60ths for all Pensionable Service from 6 April 2010 onwards.

At the same time, the Trustees (at the request of the Company) agreed that the Accrual Rate for Jane Wade's Underpin Pension would be enhanced to 1/75ths for all Pensionable Service from 6 April 2010 onwards.

Jane Wade's current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

Event history

Date of first event **04/09/2015** First event **PRESERVED LEAVER**
 Date of second event **15/03/2024** Second event **RETIREMENT**

Member details

Surname **PIETRECZKO** Forenames **KRYSZTOF**
 Date of birth **15/03/1959** Gender **MALE**
 Spouse's date of birth **03/05/1970**
 Child dependant's date of birth
 Date of joining company **06/10/1984**
 Date of joining scheme **06/11/1984**
 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 **£ 23,745.98**
 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)	£	449.80
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Post 05/04/1988

GMP (per annum)	£	2,500.16
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Special circumstances / additional information

Preserved pension (per annum) at date of first event	£	16,985.24
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Lower of 5.0% or RPI increases from date of first event to date of second event is 27.4%.

On 11 February 1991, Krysztof Pietreczko transferred into the XYZ Pension and Life Assurance Scheme his benefits from the registered pension scheme of one of his former employers. The pension scheme was not contracted out.

The transfer in secured a fixed pension of £4,126.24 per annum, payable from Krysztof Pietreczko's Normal Pension Date. Once in payment, the transferred-in pension is subject to the normal rules of the XYZ Pension and Life Assurance Scheme. The transferred-in pension is not included in the Scheme pension quoted above but should be included in the calculation of Krysztof Pietreczko's benefit options at retirement.

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

Krysztof Pietreczko's current available Lifetime Allowance is 73.98%.