



**Pensions  
Management  
Institute**

# **VOCATIONAL QUALIFICATIONS**

## **DEATHS PART 2**

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

**THURSDAY 20 MARCH 2024**

**8.30 AM – 12.00 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 death benefits / options for:

1. **PEPE KALLE – (OPQ)**
2. **KURT DOGG – (RST)**
3. **GWENDELIN STEPHAN – (XYZ)**
4. **AARON KWOK – (XYZ)**
5. **CHRISTINA SPEERS – (RST)**

### Section B

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

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”.



## 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	60,969.9795	97,551.9672	

### Investment Fund Unit Prices

<b>Fund</b>	<b>Current Unit Price (£)</b>
Global Equity Fund	5.850
Index Linked Bond Fund	1.491
Balanced Fund	5.126
Corporate Bond Fund	1.806
Cash Fund	1.181

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

On 6 August 2000, Pepe Kalle 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 Pepe Kalle's transferred-in benefits amounted to £126,512.15.

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

- Balanced Fund (Member): 5,732.7533 Units
- Balanced Fund (Employer): 13,376.4240 Units
- Corporate Bond Fund (Member): 16,271.3696 Units
- Corporate Bond Fund (Employer): 37,966.5291 Units

Pepe Kalle's current available Lifetime Allowance is 100.00%.

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

**DEATHS 2  
QUESTION 1**

**CASE STUDY DETAILS**

**RST SCHEME**

**DEATHS PART 2  
QUESTION 2**

**Event history**

Date of first event    **05/12/2022**                      First event    **RETIREMENT**  
 Date of second event    **03/03/2024**                      Second event    **DEATH**

**Member details**

Surname                      **DOGG**                      Forenames    **KURT**  
 Date of birth                      **05/12/1958**                      Gender                      **MALE**  
 Spouse’s date of birth                      **01/08/1954**  
 Child dependant’s date of birth  
 Date of joining company                      **15/06/2004**  
 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>

**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                      **£**

**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**

Pension in payment at date of second event is £6,996.48 per annum, which is split as follows:

- Pre 6 April 2006 pension (per annum) £ 473.52
- Post 5 April 2006 pension (per annum) £ 6,522.96

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

Lower of 2.5% or RPI increases from date of first event to date of second event is 2.5%.

On retirement, Kurt Dogg commuted £2,437.33 per annum of pension in return for a tax-free cash sum of £46,260.45. The commuted pension was split as follows:

- Pre 6 April 2006 pension (per annum) £
- Post 5 April 2006 pension (per annum) £ 2,437.33

At the date of the first event, the Company (with the consent of the Trustees) agreed that any spouse's pension payable on death after retirement would be augmented to 66.66% of Kurt Dogg's pre-commutation pension revalued to the date of his death (subject to the spouse's pension not exceeding Kurt Dogg's actual pension in payment at the date of his death).

Kurt Dogg's current available Lifetime Allowance is 82.95%.

**Event history**

Date of first event    **29/01/2013**                      First event    **PRESERVED LEAVER**  
 Date of second event    **02/03/2024**                      Second event    **DEATH**

**Member details**

Surname                      **STEPHAN**                      Forenames    **GWENDELIN**  
 Date of birth                      **14/05/1970**                      Gender        **FEMALE**  
 Spouse's date of birth                      **18/06/1982**  
 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>

**Contribution history**

Total member's normal contributions                      **£**  
 Total member's AVCs                      **£ 87,320.95**  
 Current value of AVCs                      **£ 108,335.31**  
 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**

Preserved pension (per annum) at date of first event £ **13,925.20**

Lower of 5.0% or RPI increases from date of first event to date of second event is 36.9%.

Gwendeline Stephan's current available Lifetime Allowance is 100.00%.





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

Pre 06/04/1988

GMP (per annum) £ 1,238.12

Post 05/04/1988

GMP (per annum) £ 2,779.92

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

Salary at date of first event £ 120,150.00

Final Pensionable Salary at Normal Pension Date £ 105,352.00

Aaron Kwok paid the default contribution rate (70ths accrual) from the date he joined the XYZ Pension and Life Assurance Scheme until 5 April 1990, inclusive.

From 6 April 1990, Aaron Kwok varied his contribution rate to build up the following rates of pension accrual:

- 6 April 1990 to 5 April 2005 = 60ths
- 6 April 2005 to 5 April 2011 = 70ths
- 6 April 2011 onwards = 80ths

Aaron Kwok's current available Lifetime Allowance is 100.00%.



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

CARE pension (per annum) £ 4,987.30

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

CARE pension (per annum) £ 10,619.27

**Special circumstances / additional information**

Contractual Salary at date of first event (actual) £ 28,575.00

Contractual Salary at date of first event (full-time equivalent) £ 57,150.00

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

Christina Speers worked full time (5 days a week) from the date she joined the Company until 5 June 2010, inclusive. From 6 June 2010, Christina Speers varied her working week as follows:

- 6 June 2010 to 5 May 2012 = 4.25 days a week
- 6 May 2012 to 5 April 2020 = 2.00 days a week
- 6 April 2020 onwards = 2.50 days a week

Christina Speers' current available Lifetime Allowance is 100.00%.