

VOCATIONAL QUALIFICATIONS

DEATHS PART 2

DEATH BENEFITS WITH SPECIAL CIRCUMSTANCES

FRIDAY 20 SEPTEMBER 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 workings clearly.
5. Calculate the benefits using only the information given.
6. Where any relevant benefits are likely to exceed the remaining Lump Sum & Death Benefit Allowance, clearly state in your answer 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. **DARREN NICHOLS – (RST)**
2. **LUCY THORN – (XYZ)**
3. **LEANNE HANHAM – (OPQ)**
4. **ISHMAEL BOULLIN – (XYZ)**
5. **HAYLEY RUTHEN – (RST)**

Section B

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

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 “AN Other”.

Pre 6 April 2006 pension accrued as at 5 April 2024

CARE pension (per annum) £ 4,541.81

Post 5 April 2006 pension accrued as at 5 April 2024

CARE pension (per annum) £ 14,179.71

Special circumstances / additional information

Contractual Salary at date of first event £ 63,558.00

Pro-rata CPI from 6 April 2024 to date of first event is 1.3%.

The Company (with the consent of the Trustees) agreed to augment the rate of Pension Accrual for Darren Nichols' CARE Pension to 70ths for Pensionable Service from 6 May 2007.

It was also agreed by the Company (with the consent of the Trustees) to augment the rate of Pension Accrual to 85ths in the calculation of the Final Salary Underpin Pension for Pensionable Service from 6 May 2007.

Darren Nichols' available Lump Sum & Death Benefit Allowance (LS&DBA) is £1,073,100.00.

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 £7,918.17 per annum (*excluding* an additional transferred-in pension in payment of £1,222.40 per annum, which is subject to the normal rules of the XYZ Pension and Life Assurance Scheme).

Lower of 5.0% or RPI increases from date of first event to date of second event is 10.3%.

On retirement, Lucy Thorn commuted £2,055.72 per annum of pension in return for a tax-free cash sum of £43,170.12.

Lucy Thorn's available Lump Sum & Death Benefit Allowance (LS&DBA) is £904,332.12.

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			10,332.5880
Balanced Fund			6,332.9992
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	21,414.0301	34,262.4482	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.920
Index Linked Bond Fund	1.501
Balanced Fund	5.126
Corporate Bond Fund	1.806
Cash Fund	1.181

Special circumstances / additional information

Leanne Hanham's available Lump Sum & Death Benefit Allowance (LS&DBA) is £965,222.80.

CASE STUDY DETAILS**XYZ SCHEME****DEATHS PART 2
QUESTION 4****Event history**

Date of first event **26/08/2024** First event **DEATH**
Date of second event Second event

Member details

Surname **BOULLIN** Forenames **ISHMAEL**
Date of birth **06/04/1970** Gender **MALE**
Spouse's date of birth **02/01/1982**
Child dependant's date of birth
Date of joining company **14/05/1993**
Date of joining scheme **14/06/1993**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2016	2017	2018	2019	2020	2021	2022	2023	2024
69,690	71,300	75,266	78,100	89,566	88,250	87,112	79,300	85,662

Contribution history

Total member's normal contributions **£ 85,383.45**
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) £ **726.96**

Special circumstances / additional information

Salary at date of first event £ **82,155.00**

Ishmael Boullin paid the default contribution rate (70ths accrual) from the date he joined the XYZ Pension and Life Assurance Scheme until 5 April 2000, inclusive.

From 6 April 2000, Ishmael Boullin varied his contribution rate to build up the following rates of pension accrual:

- 6 April 2000 to 5 April 2012 = 80ths
- 6 April 2012 to 5 April 2022 = 70ths
- 6 April 2022 onwards = 60ths

Ishmael Boullin's available Lump Sum & Death Benefit Allowance (LS&DBA) is £1,073,100.00.

Pre 6 April 2006 pension accrued as at 5 April 2024

CARE pension (per annum) £ 3,124.43

Post 5 April 2006 pension accrued as at 5 April 2024

CARE pension (per annum) £ 17,366.51

Special circumstances / additional information

Contractual Salary at date of first event (actual) £ 44,460.00

Contractual Salary at date of first event (full-time equivalent) £ 74,100.00

Pro-rata CPI from 6 April 2024 to date of first event is 1.3%.

Hayley Ruthen worked full time (5 days a week) from the date she joined the Company until 5 January 2007, inclusive. From 6 January 2007, Hayley Ruthen varied her working week as follows:

- 6 January 2007 to 5 December 2018 = 3.75 days a week
- 6 December 2018 to 5 November 2023 = 2.50 days a week
- 6 November 2023 onwards = 3.00 days a week

Hayley Ruthen's available Lump Sum & Death Benefit Allowance (LS&DBA) is £1,073,100.00.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)