

# CERTIFICATE IN PENSIONS CALCULATIONS

## RETIREMENTS PART 1

### RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

**THURSDAY 22 JANUARY 2026 9:00AM -10:30AM**

**TIME ALLOWED: 1 HOUR 30 MINUTES**

1. Answer **ALL** the questions.
2. Type all your answers in the answer box provided.
3. Show all your workings clearly.
4. Calculate the benefits payable and the options available using only the information given.
5. Where any relevant benefits are likely to exceed either the remaining Lump Sum Allowance or the Lump Sum & Death Benefit Allowance, clearly state in your answer that you would refer the case to your manager.
6. Round all factors and figures in accordance with the instructions provided in the *Tables of Factors* and the *Scheme / Plan Booklets*.

## Questions

### Section A – Calculations (Questions 1 and 2)

Calculate the benefits payable and the options available for:

- **ELSA MEKONG – (OPQ)**
- **RAPHAEL INDUS – (XYZ-B)**

### Section B – Draft Letter (Question 3)

Analyse a draft *Letter* that has been written to communicate the benefits payable and the options available for:

- **RAPHAEL INDUS – (XYZ-B)**

The draft *Letter* requires data derived from answering the *Case Study* to be accurately transcribed to the answer box. In addition, expected basic information not communicated in the draft *Letter* needs to be identified and detailed in the answer box, whilst information wrongly communicated in the draft *Letter* also needs to be identified and corrected in the answer box.

Using the answer box provided:

- a) Transcribe data derived from answering the *Case Study* (*the data to be transcribed is specifically indicated in the draft Letter by a capital letter in brackets*).
- b) Identify and detail expected basic information which has been omitted from the draft *Letter* (*there are 2 to 4 omissions to be identified and detailed*).
- c) Identify and correct information which has been wrongly communicated in the draft *Letter* (*there are 2 to 4 errors to be identified and corrected*).

**CASE STUDY DETAILS****OPQ PLAN****RETIREMENTS PART 1  
QUESTION 1****Event history**

Date of first event      **24/01/2026**                      First event      **RETIREMENT**  
Date of second event                                              Second event

**Member details**

Surname                      **MEKONG**                      Forenames      **ELSA**  
Date of birth                      **25/11/1958**                      Gender              **FEMALE**  
Spouse's date of birth  
Child dependant's date of birth  
Date of joining company                      **11/09/2006**  
Date of joining plan                      **11/09/2006**  
Target retirement date

**Annual salary history for the plan year commencing 6 April**

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>37,100</b>	<b>39,350</b>	<b>41,020</b>	<b>42,840</b>	<b>44,600</b>	<b>46,175</b>	<b>47,825</b>	<b>49,120</b>	<b>49,780</b>

**Contribution history**

Total member's normal contributions                                              **£ 35,244.66**  
Total employer's normal contributions                                              **£ 56,391.46**  
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	4,122.4142	6,595.8627	
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund	7,448.2124	11,917.1398	
Cash Fund	20,238.6672	32,381.8675	
Lifestyle Fund			

### Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	3.998
Index Linked Bond Fund	1.502
Balanced Fund	4.226
Corporate Bond Fund	2.704
Cash Fund	1.015

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

Elsa Mekong has requested a quotation assuming she takes £35,000.00 of the overall value of her Personal Retirement Account as a tax-free cash sum (or the maximum permitted by HMRC, if lower). For the remaining value of her Personal Retirement Account, Elsa Mekong has requested single-life annuity quotations (based on the "Annuity Bureau" factors) for the following options:

- a) Non-increasing
- b) Increasing annually at the lower of 3.0% or RPI

Elsa Mekong has specifically stated that she does not want a quotation assuming she takes the entire proceeds of her Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum.

Elsa Mekong's current available Lump Sum Allowance ('LSA') is £243,275.00.

Elsa Mekong's current available Lump Sum & Death Benefit Allowance ('LS&DBA') is £1,048,100.00.

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

Date of first event      **28/01/2026**                      First event      **ILL-HEALTH RETIREMENT**  
Date of second event                                              Second event

**Member details**

Surname                      **INDUS**                      Forenames      **RAPHAEL**  
Date of birth                      **09/11/1968**                      Gender      **MALE**  
Spouse's date of birth                                              **02/02/1979**  
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>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>41,200</b>	<b>43,200</b>	<b>45,025</b>	<b>47,800</b>	<b>49,250</b>	<b>51,667</b>	<b>53,270</b>	<b>55,145</b>	<b>50,000</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**

Raphael Indus' Final Pensionable Salary at 3 July 2011 was £33,667.00.

Lower of 5.0% or RPI increases from 4 July 2011 to date of first event is 62.2%.

Raphael Indus' current available Lump Sum Allowance ('LSA') is £253,275.00.

Raphael Indus' current available Lump Sum & Death Benefit Allowance ('LS&DBA') is £1,058,100.00.

**THIS CASE STUDY ALSO RELATES TO THE DRAFT LETTER (QUESTION 3)**

Mr Raphael Indus

Address 1

Address 2

Address 3

Address 4

Post Code

22 January 2026

Ahead of your early retirement from the XYZ Pension & Life Assurance Scheme (Category B) on the grounds of ill health, I can confirm that the following options are available to you:

**Option 1: Full Pension**

- Full pension of [A] per annum

OR

**Option 2: Tax-Free Cash Sum and Residual Pension**

- Tax-free cash sum of [B]

PLUS

- Residual pension of [C] per annum

Based on our records, the tax-free cash sum is within your current available Lump Sum Allowance of [D] and your current available Lump Sum & Death Benefit Allowance of [E].

**Payment of Pension**

Your pension will be paid monthly in advance. It will be payable for life and will be subject to PAYE. The first payment will be made on 1 February 2025.

**Pension Increases**

Your pension will be increased year on 1 April by the higher of the increase in the Consumer Prices Index or 5%. A proportionate increase will be applied on 1 April 2026.

## **Death in Retirement**

A spouse's pension of [F] per annum will be payable in the event of your death. This amount will be the same whether you take **Option 1** or **Option 2**.

The spouse's pension will be adjusted to reflect any pension increases applied between your retirement and the date of your death. Once in payment, the spouse's pension will be payable for life and will be subject to PAYE. The pension will increase in payment at the same rate as your own pension.

If you die within five years of taking your pension, the balance of any unpaid pension instalments will be payable to one or more persons at the Trustees' discretion. The balance will be based on your current pension when you die, and any payment will count against your remaining Lump Sum and Death Benefit Allowance.

## **Documents Required**

- Your original birth certificate
- The enclosed option form, completed and signed by you
- The enclosed bank details form, completed and signed by you
- The enclosed Lump Sum Allowance Declaration form, completed and signed by you

If you have any queries, please contact us.

Yours sincerely

AN Other

### QUESTION 3