

# CERTIFICATE IN PENSIONS CALCULATIONS

## RETIREMENTS PART 2

### RETIREMENT BENEFITS WITH SPECIAL CIRCUMSTANCES

**FRIDAY 23 JANUARY 2026**                      **10.30 AM – 12.00 NOON**

**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:

- DENISE NILE – (RST)
- ROHAN ZAMBEZI – (XYZ-A)

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

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

- DENISE NILE – (RST)

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****RST SCHEME****RETIREMENTS PART 2  
QUESTION 1****Event history**

Date of first event      **26/01/2026**                      First event      **RETIREMENT**

Date of second event    Second event

**Member details**

Surname                      **NILE**                                      Forename      **DENISE**

Date of birth                      **29/05/1963**                                      Gender      **FEMALE**

Spouse's date of birth    **08/05/1964**

Child dependant's date of birth

Date of joining company    **13/01/2002**

Date of joining scheme    **06/04/2002**

**Earnings history for the scheme year ending 5 April**

2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>58,000</b>	<b>59,400</b>	<b>60,750</b>	<b>62,005</b>	<b>62,999</b>	<b>64,120</b>	<b>65,500</b>	<b>66,210</b>	<b>67,630</b>

**Contribution history**

Total member's normal contributions    **£ 84,224.67**

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 2025**

CARE pension (per annum) £ 4,994.26

**Post 5 April 2006 pension accrued as at 5 April 2025**

CARE pension (per annum) £ 13,682.84

**Special circumstances / additional information**

Contractual Salary at date of first event £ 69,130.00

Pro-rata CPI from 6 April 2025 to date of first event is 1.9%.

On 20 December 2021, the Trustees (at the request of the Company) agreed that the Accrual Rate for Denise Nile's CARE Pension would be enhanced to 1/55ths for all Pensionable Service from 6 January 2022 onwards.

The Trustees (at the request of the Company) additionally agreed that the Accrual Rate for Denise Nile's Underpin Pension would be enhanced to 1/75ths for all Pensionable Service from 6 January 2022 onwards.

Denise Nile's current available Lump Sum Allowance ('LSA') is £268,275.00.

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

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

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

Date of first event    **07/04/2017**                      First event    **PRESERVED LEAVER**  
Date of second event   **29/01/2026**                      Second event   **RETIREMENT**

**Member details**

Surname                      **ZAMBEZI**                      Forenames    **ROHAN**  
Date of birth                **29/01/1961**                      Gender        **MALE**  
Spouse's date of birth                                      **11/03/1962**  
Child dependant's date of birth  
Date of joining company                                      **26/07/1993**  
Date of joining scheme                                      **26/08/1993**  
Category of membership                                      **A**

**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>

**Contribution history**

Total member's normal contributions                                      **£ 47,222.84**  
Total member's AVCs    **£ 39,811.68**  
Current value of AVCs    **£ 53,669.48**  
Single life AVC pension (per annum) payable immediately                                      **£ 2,901.05**  
Joint life AVC pension (per annum) payable immediately                                      **£ 2,395.96**

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

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £ 1,982.76

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

Preserved pension (per annum) at date of first event £ 10,241.82

Lower of 5.0% or RPI increases from date of first event to date of second event is 32.3%.

In the event of taking the tax-free cash sum option, Rohan Zambezi has advised that the value of his AVCs should be taken as a cash sum first before commuting any other benefits.

Rohan Zambezi's current available Lump Sum Allowance ('LSA') is £208,275.00.

Rohan Zambezi's current available Lump Sum & Death Benefit Allowance ('LS&DBA') is £1,013,100.00.

Mrs Denise Nile

Address 1

Address 2

Address 3

Address 4

Post Code

23 January 2026

Ahead of your retirement from the RST Pension Scheme on 26 January 2026, I can confirm that the following options are available to you:

**Option 1: Full Pension**

- Pre 6 April 2006 Pension (*Full*): [A] per annum
- Post 5 April 2006 Pension (*Full*): [B] per annum
- Total Pension (*Full*): [C] per annum

OR

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

- Tax-Free Cash Sum: [D]

PLUS

- Pre 6 April 2006 Pension (*Residual*): [E] per annum
- Post 5 April 2006 Pension (*Residual*): [F] per annum
- Total Pension (*Residual*): [G] per annum

Based on our records, the tax-free cash sum under **Option 2** is within your current available Lump Sum Allowance of [H].

It should be noted that, under the rules of the RST Pension Scheme, your pension is always based on the higher of your **CARE** pension and your **Underpin** pension. As your *Full Underpin* pension of [I] per annum is higher than your *Full CARE* pension, it is your **CARE** pension which is payable.

It should also be noted that your pension, whether taking **Option 1** or **Option 2**, has been reduced due to your early retirement from the RST Pension Scheme. The reduction takes into account the likelihood of your pension having to be paid for a longer period of time.

## **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 2026.

## **Pension Increases**

Your pension will be increased year on 1 February (with a proportionate increase being applied on the first increase date of 1 February 2027). The rates of increase will be as follows:

- Pre 6 April 2006 pension: Lower of 5.0% and increase in RPI
- Post 5 April 2006 pension: Lower of 2.5% and increase in RPI

## **Death in Retirement**

A spouse's pension of [J] per annum will be payable in the event of your death (split between the pre 6 April 2006 element of [K] per annum and the post 5 April 2008 element of [L] per annum). The spouse's pension 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 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