

Questions

Section A – Calculations (Questions 1 and 2)

Calculate the benefits payable and the options available for:

- **EMILY FRASER – (XYZ)**
- **ETHAN PATEL – (RST)**

Section B – Draft Letter (Question 3)

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

- **ETHAN PATEL – (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***).

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £ 512.20

Special circumstances / additional information

Emily Fraser contributed at the default rate from the date she joined the XYZ Pension and Life Assurance Scheme until 5 April 1999. For the period from 6 April 1999 to 5 April 2004, Emily Fraser contributed at the lower contribution rate. From 6 April 2004 onwards, Emily Fraser contributed at the higher contribution rate.

Emily Fraser's reason for leaving was resignation.

Pre 6 April 2006 pension accrued as at 5 April 2025

CARE pension (per annum) £

Post 5 April 2006 pension accrued as at 5 April 2025

CARE pension (per annum) £ 1,040.00

Special circumstances / additional information

Contractual Salary at date of first event £ 85,000.00

Ethan Patel's reason for leaving was redundancy.

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

Mr Ethan Patel

Address 1

Address 2

Address 3

Post Code

22 January 2026

Dear Mr Patel

I am writing to advise you of the options available to you following your leaving the scheme on 20 February 2026.

Your options on leaving the scheme are (1) a refund of contributions, (2) preserved benefits, or (3) to transfer to another arrangement.

1. Refund of Contributions

The refund option is as follows:

Total refund payable:	£[A]
Scheme contributions paid:	£[B]
AVCs paid:	£[C]
Tax deducted:	£[D]
Tax rate:	[E]%

Alternatively, you can choose to either leave your benefits in the scheme ("Preserved Benefits") or transfer your benefits elsewhere.

2. Preserved Benefits

At your date of leaving, your preserved benefits (all post 2006) were as follows:

Total pension at date of leaving: £[F] per annum

Your preserved benefits will be revalued from your date of leaving to the date you retire.

The actual rate of revaluation will be 5.0% per annum compound for each complete year from your date of leaving to the date you retire (or the increase in the RPI for this period, if lower).

Using an assumed revaluation rate of 2.5% per annum compound, your estimated pension at your Normal Pension Date of [G] would be as follows:

Total estimated pension at retirement: £[H] per annum

At retirement, these figures will be recalculated to reflect the actual rate of revaluation. These recalculated figures may be higher or lower than the estimated figures above.

Once in payment, your pension will be increased as follows:

- Lower of 2.5% or CPI

These increases will be applied each year on the anniversary of the commencement of your pension.

The current value of your AVCs of [I] will remain invested.

If you die before your preserved benefits come into payment, there will be a refund of your member contributions amounting to [J] plus the AVCs that you have paid of [K]. The total payment will be made to one or more persons at the trustees' discretion.

If you die after you retire, there will be a spouse or civil partner's pension payable. At your date of leaving, this was [L] per annum. Assuming a revaluation rate of 2.5% per annum compound, this would provide a pension of [M] per annum at your Normal Pension Date. This pension will be increased in payment at the same rate as your own pension. If your spouse or civil partner is more than 10 years younger than you when you die, the pension will be reduced.

3. Transfer to a suitable pension arrangement

Alternatively, you may opt to transfer your benefits to a suitable arrangement of your own choice. This may include the registered scheme of your new employer, a personal pension plan, stakeholder pension plan, or a buy-out insurance policy.

Please note that if you transfer out, no further benefits will remain for you in this scheme.

Should you require further assistance, please do not hesitate to contact us.

Signed,

AN Other