

CERTIFICATE IN PENSIONS CALCULATIONS

RETIREMENTS PART 1

RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

WEDNESDAY 13 MAY 2026

8.30 AM – 10.00 AM

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:

- MAHLI AZAM – (RST)
- PETRA STANLAKE – (OPQ)

Section B – Draft Letter (Question 3)

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

- MAHLI AZAM – (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 1
QUESTION 1****Event history**

Date of first event **31/05/2026** First event **ILL HEALTH**
Date of second event Second event

Member details

Surname **AZAM** Forenames **MAHLI**
Date of birth **04/04/1970** Gender **MALE**
Spouse's date of birth **09/06/1980**
Child dependant's date of birth
Date of joining company **04/02/2001**
Date of joining scheme **06/04/2001**

Earnings history for the scheme year ending 5 April

2018	2019	2020	2021	2022	2023	2024	2025	2026
48,400	48,100	52,200	54,400	57,000	59,500	61,100	63,500	65,000

Contribution history

Total member's normal contributions **£ 46,125.05**
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 2026

CARE pension (per annum) £ 9,842.05

Post 5 April 2006 pension accrued as at 5 April 2026

CARE pension (per annum) £ 16,042.98

Special circumstances / additional information

Contractual Salary at date of first event £ 68,000.00

Pro-rata CPI from 6 April 2026 to date of first event is 0.3%.

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

Mahli Azam'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)

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			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	18,964.2500	30,342.7750	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.147
Index Linked Bond Fund	1.498
Balanced Fund	4.118
Corporate Bond Fund	2.549
Cash Fund	1.298

Special circumstances / additional information

Petra Stanlake has requested a quotation assuming she takes 20% of her Personal Retirement Account as a tax-free cash sum. For the remaining value of her Personal Retirement Account, Petra Stanlake has requested quotations for the following annuity options (based on the "Annuity Bureau" factors):

- a) Non-increasing – (*joint life*)
- b) Increasing annually at the lower of 3.0% or RPI – (*single life*)

Petra Stanlake has additionally requested a quotation assuming she takes the entire proceeds of her Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum.

Petra Stanlake's current available Lump Sum Allowance ('LSA') is £198,940.00.

Petra Stanlake's current available Lump Sum & Death Benefit Allowance ('LS&DBA') is £1,003,765.00.

Mahli Azam

Address 1
Address 2
Address 3
Address 4
Post Code

13 May 2026

Dear Mr Azam

RST Pension Scheme (“the Scheme”)

I refer to your retirement from the Scheme on 31 May 2026. You have the following options:

Option 1: Full Pension

- Full pension of [A] per annum (including a pre-1 April 2006 pension of [B] per annum and a post-5 April 2006 pension of [C] per annum)

OR

Option 2: Tax-Free Cash Sum and Residual Pension

- Tax-free cash sum of [D]

PLUS

- Residual pension of [E] per annum (including a pre-6 April 2006 pension of [F] per annum and a post-5 April 2006 pension of [G] per annum)

Based on our records, the tax-free cash sum is within your current available Lump Sum Allowance of [H] and your current available Lump Sum & Death Benefit Allowance of £1,037,100.00.

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

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 June 2026.

Pension Increases

Your pension will be increased on 1 April each year.

Your pre-6 April 2006 pension will increase in payment each year by the rise in the Retail Prices Index (RPI), subject to a maximum of 5.0%. Your post-5 April 2006 pension will increase in payment each year by the rise in the RPI, subject to a maximum of 2.5%.

Death in Retirement

A spouse's pension of [I] per annum will be payable in the event of your death in retirement (including a pre-6 April 2006 pension of [J] per annum and a post-5 April 2006 pension of [K] per annum). 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.

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

- 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