

# CERTIFICATE IN PENSIONS CALCULATIONS

## LEAVERS PART 1

### LEAVER BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

**MONDAY 11 MAY 2026**                      **9.30 AM – 11.00 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. 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:

- **HUGO BENNETT – (XYZ)**
- **NINA KOVARIK – (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:

- **NINA KOVARIK – (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) £ 1,433.64

**Special circumstances / additional information**

Hugo Bennett contributed at the default rate from the date he joined the XYZ Pension and Life Assurance Scheme.

Hugo Bennett's reason for leaving was resignation.



**Pre 6 April 2006 pension accrued as at 5 April 2026**

CARE pension (per annum) £ 425.26

**Post 5 April 2006 pension accrued as at 5 April 2026**

CARE pension (per annum) £ 13,253.64

**Special circumstances / additional information**

Contractual Salary at date of first event £ 59,000.00

Nina Kovarik's reason for leaving was resignation.

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

Nina Kovarik

Address 1

Address 2

Address 3

Post Code

11 May 2026

Dear Mrs Smith

I am writing to advise you of the options available to you following your leaving the 'RST Pension Scheme' (the Scheme) on 8 May 2026.

Your options on leaving are (1) *Preserve* your benefits within the Scheme, or (2) *Transfer* the value of your benefits within the Scheme to your bank account.

### **Preserved Benefits**

Your preserved benefits at your date of leaving (DOL) were as follows:

- Pre-6 April 2006 pension at DOL: £[A] per annum
- Post-5 April 2006 pension at DOL: £[B] per annum
- **Total pension at DOL:** £[C] per annum

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

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

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

- Estimated pre-6 April 2006 pension at NPD: £[E] per annum
- Estimated post-5 April 2006 pension at NPD: £[F] per annum
- **Total estimated pension at NPD:** £[G] 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:

- Pre-6 April 2006 pension: Lower of 5.0% or RPI
- Post-5 April 2006 pension: Lower of 2.5% or RPI

When you retire, you may exchange part of your pension for a tax-free cash sum. This will reduce your pension.

You can choose to retire with a reduced pension earlier than your NPD. The minimum retirement age is currently 55 (rising to age 58 from 6 April 2028) although your pension may be paid earlier than the minimum retirement age if you are in ill health.

If you die after you retire and within five years of the commencement of your pension (and provided you are under age 75 when you die), a cash sum will be paid at the discretion of the Trustees. This will be equal to the unpaid balance of five years of pension payments (or the unpaid balance of instalments up to age 75, if earlier). The cash sum calculation will be based on the rate of your pension at the date of your death.

If you die after you retire and you are either married or have entered into a civil partnership, your spouse or civil partner will receive a pension of 40% of your pension. This will include any pension you exchanged for a tax-free cash sum when you retired, increased to your date of death.

At your DOL, the spouse or civil partner pension was [H] per annum. Based on an assumed increase of 2.5% per annum, this would give a maximum pension of [I] per annum from age 65. However, the actual amount will be less if the revaluation index is lower than this. If your spouse or civil partner is more than 10 years younger than you when you die, the pension will be reduced.

## **2. Transfer to your bank account**

As an alternative to preserving your benefits within the Scheme, you may opt to transfer the value of your benefits to your bank account.

Should you take this option, no further benefits will remain for you within the Scheme.

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

Signed,

AN Other