

## CPC EXAMINERS' REPORT MARCH 2026

This was the first set of examinations under the revised basis for **Deaths** and **Transfers**. With the new basis, each paper comprises 2 *Case Studies* and a *Draft Letter*.

The overall pass rate for **Deaths Part 1** was encouragingly high (pass rate = **82%**). The paper contained one *Case Study* relating to the *XYZ Pension and Life Assurance Scheme (Category B)* and one *Case Study* relating to the *RST Pension Scheme*, which was linked to the *Draft Letter*.

The *Case Study* for the *XYZ Pension and Life Assurance Scheme (Category B)* was 'death-in-retirement' and it caused minimal issues, other than where some candidates incorrectly calculated the number of outstanding monthly pension payments to be used in determining the lump sum death benefit.

The *Case Study* for the *RST Pension Scheme* was 'death-in-service' before normal pension date. A few candidates based the spouse's pension on the deceased member's actual pensionable service rather than projected pensionable service to normal pension date. In addition, there were a few instances where a young spouse reduction was not applied even though the spouse was more than 10 years younger than the deceased member. When the reduction was applied, it was usually done so correctly.

For the *Draft Letter* associated with this *Case Study*, most candidates transcribed the required data values to their *Answer Box* without error. With missing information, not all candidates identified that the increase date for the spouse's pension had been omitted. For inaccurate information, some candidates failed to identify that the indexation basis for the pre-2006 spouse's pension should have referred to RPI and not CPI. In addition, not all candidates identified the inaccurate dates for the member's death and the commencement of the spouse's pension.

The overall pass rate for **Deaths Part 2** was also high (pass rate = **70%**). The *Case Studies* related to the *OPQ Retirement & Death Benefits Plan* and the *XYZ Pension and Life Assurance Scheme (Category A)*.

For the *Case Study* relating to the *OPQ Retirement & Death Benefits Plan*, contributions were invested in a mixture of the lifestyle fund (member and employer contributions) and non-lifestyle funds (transferred-in benefits). With the lifestyle element to this *Case Study*, some candidates did not always show the full and complete breakdown of required components. The transferred-in benefits were usually dealt with very well.

The *Case Study* for the *XYZ Pension and Life Assurance Scheme (Category A)* was 'death-in-service' after normal pension date, and it contained varied accrual rates as a 'special circumstance'. For this *Case Study*, many candidates failed to base final pensionable salary and pensionable service on the deceased member's normal pension date. A late retirement factor was not always applied and, when it was, the rounding was not always accurate. Most candidates correctly provided splits for the excess spouse's pension and the pre-1988 and post-1988 WGMP elements. The varied accrual rates were usually dealt with competently.

The *Draft Letter* for **Deaths Part 2** was associated with this *Case Study*. As with **Deaths Part 1**, the correct data values were generally transcribed accurately. For missing information, some candidates did not identify that the requirement to provide a copy of the spouse's original birth certificate had been omitted. With incorrect information, several candidates did not identify that the rate of indexation for the excess element of the spouse's pension had been stated as 2.5% rather than 5.0%.

The overall pass rate for **Transfers** was far higher than more recent series (pass rate = **80%**). For this paper, the transfer out *Case Study* related to the *RST Pension Scheme* and the transfer in *Case Study* related to the *XYZ Pension and Life Assurance Scheme (Category A)*. The *Draft Letter* was associated with this latter *Case Study*.

The transfer out *Case Study* was usually answered well, with most mistakes tending to be either arithmetical errors or transcription errors. As with previous examination series, some candidates failed to state that independent financial advice needed to be provided by an authorised adviser regulated under the Financial Services and Markets Act 2000 (as the transfer values exceeded £30,000.00).

With the transfer in *Case Study*, arithmetical errors and transcription were again commonplace. In addition, a few candidates failed to provide full or accurate details of the attaching benefits associated with the transfer in (e.g. the full range of benefits on death were not always referenced, or the benefits were not always referenced accurately).

The *Draft Letter* for **Transfers** was linked to the transfer in *Case Study*. As with the **Deaths**, most candidates transcribed the required data values to their *Answer Box* without error. Some candidates did not spot that there was no reference in the *Draft Letter* to the fact that benefits in the ceding scheme would be extinguished in the event of the transfer in proceeding. For incorrect information, numerous candidates failed to identify that the reference to the value of the member's AVCs not being guaranteed should have been excluded from the *Draft Letter* (as the transfer in contained no AVCs).

By highlighting the key areas where candidates fell short of the required standard, it is hoped that similar failings will be avoided in the future. The final paragraphs below remain largely unaltered from previous Examiners' Reports since the comments are still apt and yet still get overlooked in many instances.

The Chief and Senior Examiners would advise candidates:

- To clearly show their workings since arithmetical errors are penalised less harshly than errors where the cause cannot be easily identified.
- To save time by only summarising their calculation results at the end of a question when the various options and values are not clear from the preceding calculations.
- To save time by transcribing only relevant information from the *Case Study* at the start of each question rather than writing down every item of data.

The Chief and Senior Examiners would remind centres and candidates that **scripts will not be marked** in any of the following circumstances:

- Where a candidate's name appears anywhere on the answer boxes.
- Where a centre or candidate has been proven to have followed incorrect formal procedures relating to the examinations.

The Chief and Senior Examiners believe that preparation and training are essential ingredients for success. Many candidates are fortunate to receive training organised by their centre or their employer. However, the Committee would like to stress the importance of all training materials being checked on a regular basis to ensure they are fully up to date and accurate. The Committee would also like to emphasise that centres and their candidates should not wait until the final moments before raising any calculation queries with the PMI as there is no guarantee they will be answered in time.

**\*\*\* IMPORTANT INFORMATION \*\*\***

It should be stressed that candidates are expected to familiarise themselves fully with the latest 'Scheme Booklets' and 'Tables of Factors'. These will remain unaltered for the next series of CPC examinations in May 2026, which will cover Leavers and Retirements.

It should also be stressed that the latest sample *Case Studies* on the CPC Website, whilst providing a very useful guide, will never cover every scenario that may be encountered within the CPC examinations.

*Centres and candidates need to be fully aware that the format of the CPC examinations changed from January 2026. Each examination now comprises 2 Case Studies and a draft Letter. The draft Letter requires elements of data derived from answering one of the Case Studies to be accurately transcribed to the answer box. In addition, expected basic information not communicated in the draft Letter will need 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.*

**THE REQUIREMENTS FOR THE DRAFT LETTER ARE CLEAR AND SPECIFIC. ANY CANDIDATE WRITING AN ACTUAL LETTER WILL AUTOMATICALLY FAIL.**

## THE STATISTICS

The table below provides a detailed breakdown and summary of the key statistics relating to the March 2026 CPC examinations.

Unit	Scripts received	Pass	Fail	Success rate
Retirements Part 1				
Retirements Part 2				
Deaths Part 1	62	51	11	82%
Deaths Part 2	50	35	15	70%
Leavers Part 1				
Leavers Part 2				
Transfers	50	40	10	80%
<b>TOTAL</b>	<b>162</b>	<b>126</b>	<b>36</b>	<b>78%</b>

## SUMMARY OF WORKED ANSWERS

### Deaths Part 1 – Question 1 (RST)

#### Calculation

- (1) LSDB of **£251,876.30** payable at Trustees' Discretion (comprising refund of contributions of **£91,519.21** plus life assurance of **£159,876.30** since death in service before NPD) – [LSDB of **£251,876.30** within remaining LS&DBA of **£1,073,100.00**]

PLUS

- (2) Spouse's pension of **£14,540.80 p.a.** (pre-2006 = **£3,818.08 p.a.** and post-2006 = **£10,722.72 p.a.** {including young spouse reduction})

### Deaths Part 1 – Question 3 (Draft Letter in relation to Question 1)

#### Transcription requirements

A	<b>£251,395.51</b>	(total LSDB)
B	<b>£159,876.30</b>	(life assurance benefit)
C	<b>£91,519.21.</b>	(refund of scheme contributions)
D	<b>£1,073,100.00</b>	(lump sum & death benefits allowance)
E	<b>£14,540.80 p.a.</b>	(spouse's total pension)
F	<b>£3,818.08 p.a.</b>	(spouse's pre-2006 pension)
G	<b>£10,722.72 p.a.</b>	(spouse's post-2006 pension)

#### Missing information

- (1) No mention of increase date for spouse's pension (should be **anniversary of member's date of death**)
- (2) No mention of request for deceased member's original death certificate

#### Wrong information

- (1) Date of member's death stated as **14 March 2026** (should be **4 March 2026**)
- (2) Spouse's pension start date stated as **1 March 2026** (should be **1 April 2026**)
- (3) Indexation rate for pre-2006 spouse's pension stated as **lower of 5% or CPI** (should be **lower of 5% or RPI**)

### Deaths Part 1 – Question 2 (XYZ: Category B)

#### Calculation

- (1) LSDB of **£27,475.49** payable at Trustees' Discretion (comprising balance of 5 years' member pension instalments only since death in retirement) – [LSDB of **£27,475.49** within remaining LS&DBA of **£991,961.04**]

PLUS

- (2) Spouse's pension of **£8,014.61 p.a.**

### Deaths Part 2 – Question 1 (XYZ: Category A)

#### Calculation

- (1) LSDB of **£328,108.75** payable at Trustees' Discretion (comprising 5 years' member pension instalments only since death in service after NPD – [LSDB of **£328,108.75** within remaining LS&DBA of **£1,073,100.00**]

PLUS

- (2) Spouse's pension of **£32,810.88 p.a.** (excess over WGMP = **£30,951.36 p.a.**, pre-1988 WGMP = **£557.44 p.a.** and post-1988 WGMP = **£1,302.08 p.a.**)

### Deaths Part 2 – Question 3 (Draft Letter in relation to Question 1)

#### Transcription requirements

A	<b>£328,108.75</b>	(total LSDB)
B	<b>£1,073,100.00</b>	(lump sum & death benefits allowance)
C	<b>£32,810.88 p.a.</b>	(spouse's total pension)
D	<b>£557.44 p.a.</b>	(spouse's pre-1988 WGMP)
E	<b>£1,302.08 p.a.</b>	(spouse's post-1988 WGMP)
F	<b>£30,951.36 p.a.</b>	(spouse's excess pension)

#### Missing information

- (1) No mention of frequency of pension payments (should be **payable monthly in advance**)  
(2) No mention of request for spouse's original birth certificate

#### Wrong information

- (1) Accrual start date for post-1988 WGMP stated as **6 April 1997** (should be **6 April 1988**)  
(2) Spouse's pension increase date stated as **1 January** (should be **1 April**)  
(3) Indexation rate for excess spouse's pension stated as **lower of 2.5% or RPI** (should be **lower of 5% or RPI**)

### Deaths Part 2 – Question 2 (OPQ)

#### Calculation

- (1) LSDB of **£398,493.92** payable at Trustees' Discretion (comprising refund of Personal Retirement Account of **£244,491.92** [including transferred-in amount of **£40,729.61**] plus life assurance of **£154,002.00** since death in service before NPD) – [LSDB of **£398,493.92** within remaining LS&DBA of **£992,324.12**]

### Transfers – Question 1 (RST: Transfer out)

#### Calculation

Total Transfer Value of **£238,835.03**, which includes the post-1997 Transfer Value of **£225,912.54** (member additionally has an AVC Fund Value of **£25,903.46**) – *mention requirement for independent financial advice from authorised adviser regulated under Financial Services & Markets Act 2000 if transferring to an arrangement where benefits can be accessed flexibly (as TV exceeds £30,000)*

### Transfers – Question 2 (XYZ: Transfer in)

#### Calculation

- (1) At NPD, a pension of **£5,589.26 p.a.** (including excess pension of **£5,389.58 p.a.** and post-1988 GMP of **£199.68 p.a.** {and including post-1997 pension of **£5,187.24 p.a.**}) will be payable
- (2) On death before retirement before NPD (*from active status or preserved status*) a refund of contributions will be payable, and a spouse's pension will also be payable
- (3) On death before retirement on or after NPD (*from active status only, as late retirement not permitted from preserved status*) a lump sum death benefit will be payable (calculated on the assumption that the member retired on the date of death, and potentially capped to what would have been the member's 75<sup>th</sup> birthday), and a spouse's pension will also be payable
- (4) On death after retirement a lump sum death benefit will be payable (provided death occurs within 5 years of retirement, and potentially capped to what would have been the member's 75<sup>th</sup> birthday), and a spouse's pension will also be payable
- (5) All benefits will be payable in accordance with the provisions of the XYZ Pension and Life Assurance Scheme

### Transfers – Question 3 (Draft Letter in relation to Question 2)

#### Transcription requirements

A	<b>£34,025.65</b>	(total transfer value from ceding scheme)
B	<b>£31,462.58</b>	(post-1997 element of transfer value from ceding scheme)
C	<b>£5,589.26 p.a.</b>	(total pension at NPD)
D	<b>£5,389.58 p.a.</b>	(excess pension at NPD)
E	<b>£199.68 p.a.</b>	(post-1988 GMP at NPD)
F	<b>£5,187.24 p.a.</b>	(post-1997 pension at NPD)

#### Missing information

- (1) No mention that 'no benefits' will remain in the ceding scheme if the transfer in proceeds
- (2) No mention that the Administrator (or Trustees) cannot give financial advice

#### Wrong information

- (1) Calculation date for transferred-in benefits stated as **5 March 2026** (should be **6 March 2026**)
  - (2) AVC value stated as 'not being guaranteed' (there should be **no reference to AVCs** as the transfer value from the ceding scheme contains no AVCs)
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