

CERTIFICATE IN PENSIONS CALCULATIONS

RETIREMENTS PART 2

RETIREMENT BENEFITS WITH SPECIAL CIRCUMSTANCES

TUESDAY 15 SEPTEMBER 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:

- **DOUGLAS HENRIQUE – (RST)**
- **KAREN MCKENNA – (XYZ)**

Section B – Draft Letter (Question 3)

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

- **DOUGLAS HENRIQUE – (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 **30/09/2026** First event **ILL HEALTH**

Date of second event Second event

Member details

Surname **HENRIQUE** Forenames **DOUGLAS**

Date of birth **01/10/1968** Gender **MALE**

Spouse's date of birth **04/11/1978**

Child dependant's date of birth

Date of joining company **06/01/2001**

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
56,400	58,100	60,200	62,400	65,000	67,500	69,100	70,500	69,000

Contribution history

Total member's normal contributions **£ 49,285.16**

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)	£ 8,998.98
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Post 5 April 2006 pension accrued as at 5 April 2026

CARE pension (per annum)	£ 13,765.16
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Special circumstances / additional information

Contractual Salary at date of first event	£ 69,900.00
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Pro-rata CPI from 6 April 2026 to date of first event is 1.8%.

Douglas Henrique reduced his working days from full-time (five days a week) to four days a week for the period from 1 July 2012 to 31 March 2019, inclusive.

Douglas Henrique further reduced his working days to three days a week from 1 April 2019 to 30 September 2022, inclusive.

Douglas Henrique further reduced his working days to two days a week from 1 October 2022 onwards.

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

Douglas Henrique'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 **30/09/2026** First event **RETIREMENT**

Date of second event Second event

Member details

Surname **MCKENNA** Forename **KAREN**

Date of birth **15/06/1963** Gender **FEMALE**

Spouse's date of birth **16/08/1959**

Child dependant's date of birth

Date of joining company **06/11/1997**

Date of joining scheme **06/11/1997**

Category of membership **B**

Pensionable salary history for the scheme year commencing 6 April

2018	2019	2020	2021	2022	2023	2024	2025	2026
28,000	30,300	32,400	34,000	36,100	37,900	39,250	41,000	43,200

Contribution history

Total member's normal contributions **£**

Total member's AVCs **£**

Current value of AVCs **£**

Single life AVC pension (per annum) payable immediately **£**

Joint life AVC pension (per annum) payable immediately **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £

Special circumstances / additional information

Karen McKenna's Final Pensionable Salary at 3 July 2011 was £25,900.00.

Lower of 5.0% or RPI increases from 4 July 2011 to date of first event is 63.8%.

In February 2004, the Trustees (at the request of the Company) agreed that Karen McKenna's Accrual Rate would be enhanced to 1/55ths for all Pensionable Service from 1 April 2004 onwards.

When being provided with the tax-free cash sum option, Karen McKenna has specified that she would like to take £50,000.00 as a cash sum, subject to this being within the maximum permitted under the rules of the XYZ Pension and Life Assurance Scheme.

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

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

Mr Douglas Henrique

Address 1
Address 2
Address 3
Address 4
Post Code

15 September 2026

Dear Mr Douglas

RST Pension Scheme (“the Scheme”)

I refer to your ill-health early retirement from the Scheme on 20 September 2026. Please be aware that your pension has been based on your service to Normal Pension Date (NPD) and takes into account your periods of part-time service.

You have the following options available to you:

Option 1: Full Pension

- Full pension of [A] per annum (including a pre-6 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 [I].

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 of [J] per annum, it is your **CARE** pension which is payable.

Payment of Pension

Your pension is payable for life and will be subject to PAYE. The first payment will be made on 1 November 2026.

Pension Increases

Your pension will be increased on the anniversary of your first pension payment 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 [**K**] per annum will be payable in the event of your death in retirement (including a pre-6 April 2006 pension of [**L**] per annum and a post-5 April 2006 pension of [**M**] 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.

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