CPC EXAMINERS' REPORT
SEPTEMBER 2026

This was the fifth set of CPC examinations under the new basis, and the third series to cover ***Leavers*** and ***Retirements***. With the new basis, each paper comprises 2 *Case Studies* and a *Draft Letter*.

The paper for ***Leavers Part 1*** was generally attempted extremely well (pass rate = **82%**). It contained *Case Studies* relating to the *RST Pension Scheme* and the *XYZ Pension and Life Assurance Scheme (Category B).* The *Draft Letter* was associated with the *Case Study* for the *RST Pension Scheme*.

The *Case Study* for the *XYZ Pension and Life Assurance Scheme (Category B)* caused few concerns. Most errors tended to occur with candidates either failing to cap pensionable service to 3 July 2011 or making arithmetical mistakes when performing the salary comparison check.

The *Case Study* for the *RST Pension Scheme* was usually attempted very well, albeit a few candidates incorrectly calculated the Underpin pension to be slightly higher than the CARE pension when it was slightly lower. In addition, some candidates used an extra month of service (5 months rather than 4) when determining the year-to-date pension for both the CARE pension and the Underpin pension.

For the *Draft Letter* relating to the *Case Study* for the *RST Pension Scheme*, most candidates transcribed the required data values to their *Answer Box* without error. For missing information, not all candidates identified that there was no reference to the CARE Pension being higher than the Underpin Pension. In addition, some candidates did not recognise that there was no mention of a 5-year-guarantee potentially being payable as a lump sum death benefit on 'death after retirement'. For inaccurate information, some candidates failed to identify that the date of calculation should have stated 3 September 2026 (rather than 3 September 2006), and that the indexation rate for the pre-2006 pension should have mentioned the 'lower of 5.0% and RPI' (rather than the 'lower of 5.5% and RPI').

For ***Leavers Part 2***, the overall success rate was also extremely high (pass rate = **76%**). The first of the two *Case Studies* was for the *XYZ Pension and Life Assurance Scheme (Category A),* and it concerned a member with varied accrual rates. This *Case Study* caused minimal problems, with many candidates producing perfect answers when applying the required accrual rates to the respective tranches of pensionable service.

For the second *Case Study*, which was based on the *OPQ Retirement & Death Benefits Plan*, the member and employer contributions were invested entirely in the lifestyle fund. In addition, there was an augmentation payment from the employer which was invested in the Corporate Bond Fund. This *Case Study* was answered well across the board, with most errors being arithmetical.

The *Draft Letter* was associated with the *Case Study* for the *XYZ Pension and Life Assurance Scheme (Category A).* As with ***Leavers Part 1***, the numerous data values were generally transcribed accurately. For missing information, many candidates failed to identify that there was no reference to pension increases once the pension was in payment (or, if they did, they did not always specify the increases that would apply before and after 'GMP date'). With deliberate errors, some candidates did not recognise that the earliest a member will be able to retire, other than through ill health, will change from age 55 to age 57 from 6 April 2028 (rather than from 6 April 2027).

Retirements Part 1 was attempted with varying degrees of success (pass rate = **59**%). The *Case Studies* related to the *OPQ Retirement & Death Benefits Plan* and the *XYZ Pension and Life Assurance Scheme (Category A).*

Candidates usually found the *Case Study* relating to the *OPQ Retirement & Death Benefits Plan* the most challenging. There were four areas where errors commonly occurred. Firstly, the age was sometimes incorrect by one month (the member was one day shy of being 62 years and 3 months). Secondly, the correct range of requested options was not always provided. Thirdly, the statement relating to the tax treatment of the Uncrystallised Funds Pension Lump Sum (UFPLS) was often incomplete and, fourthly, the open market option was occasionally omitted.

The *Case Study* for the *XYZ Pension and Life Assurance Scheme (Category A)* was 'early retirement from active status', and it did not present too many issues. A few candidates omitted the contracted-out check altogether, whilst others were not entirely accurate in their confirmation of how the check had been met. Further, some candidates did not confirm that the residual pension (after taking the 'elected' tax-free cash sum) covered the GMP. It was noticeable that not all candidates provided a calculation to confirm that the requested tax-free cash sum was within the maximum permitted by HMRC.

The *Draft Letter* for ***Retirements Part 1*** was associated with the *Case Study* for the *XYZ Pension and Life Assurance Scheme (Category A).* Most candidates accurately transcribed the value of each required data item from the *Case Study* to their *Answer Box*. However, in some instances, the 'LSA' and the 'LS&DBA' values were stated the opposite way round. For missing information, many candidates did not recognise that there was no reference to the fact that, once in payment, the spouse's pension would increase at the same rate as the member's pension. For wrong information, many candidates failed to recognise that the forename (rather than the surname) had been used (i.e. Mr Leonard, rather than Mr Alvarado).

The paper for ***Retirements Part 2*** contained *Case Studies* for the *RST Pension Scheme* and the *XYZ Pension and Life Assurance Scheme (Category B)*, and it was attempted well in most cases (pass rate = **68%**).

The *Case Study* for the *RST Pension Scheme* was 'early retirement on the grounds of ill health'. This was generally answered well, although some candidates failed to base their answers on prospective pensionable service to the member's normal pension date. Additionally, a few candidates failed to mention the potential for a reduction in the spouse's pension, as the age differential between the member and the spouse exceeded 10 years.

The *Case Study* for the *XYZ Pension and Life Assurance Scheme (Category B)* was 'early retirement from active status' with an enhanced rate of accrual. Most candidates dealt with this special circumstance well, albeit there were a few instances where slight arithmetical errors were made in determining the pensionable service attributable to the standard and enhanced accrual rates. A few candidates also calculated the early retirement factor to be other than 1.000.

The *Draft Letter* for ***Retirements Part 2*** was associated with the *Case Study* for the *RST Pension Scheme.* As with ***Retirements Part 1***, most candidates accurately transcribed the required values from the *Case Study* to their *Answer Box*. For missing information, some candidates did not identify that there was no reference to a potential young spouse reduction. Where candidates had already been penalised for not mentioning this when answering the *Case Study*, they were not penalised a second time. For wrong information, some candidates did not identify that the date of retirement should have stated 30 September 2026 (rather than 20 September 2026).

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 November 2026, which will cover Deaths and Transfers.

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 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.

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 September 2026 CPC examinations.

Unit	Scripts received	Pass	Fail	Success rate
Retirements Part 1	106	87	19	**82%**
Retirements Part 2	90	68	22	**76%**
Deaths Part 1				
Deaths Part 2				
Leavers Part 1	94	55	39	**59%**
Leavers Part 2	93	63	30	**68%**
Transfers				
TOTAL	**383**	**273**	**110**	**71%**

SUMMARY OF WORKED ANSWERS

Leavers Part 1 – Question 1 (RST)

Calculation

(1) Preserved 'CARE' pension at date of leaving of **£18,908.79 p.a.** {*v preserved 'Underpin' pension of* ***£18,611.11 p.a.***} (pre-2006 = **£945.26 p.a.** and post-2006 = **£17,963.53 p.a.**) which, when revalued to NPD, would result in a pension of **£30,984.32 p.a.** (pre-2006 = **£1,548.92 p.a.** and post-2006 = **£29,435.40 p.a.**) – *assuming annual increases for each complete year from DOL to NPD of 2.5%*

Spouse's pension on death after retirement of **£7,563.51 p.a.** (pre-2006 = **£378.10 p.a.** and post-2006 = **£7,185.41 p.a.** – {*based on member's pension at DOL*}) which, when revalued to NPD, would result in a pension of **£12,393.73 p.a.** (pre-2006 = **£619.57 p.a.** and post-2006 = **£11,774.16 p.a.** – {*based on member's pension at DOL, revalued to NPD*})

OR

(2) Transfer value to another pension arrangement

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

Transcription requirements

A	**£945.26 p.a.**	(*member's pre-2006 pension at DOL*)
B	**£17,963.53 p.a.**	(*member's post-2006 pension at DOL*)
C	**£18,908.79 p.a.**	(*member's total pension at DOL*)
D	**21/08/2047**	(*member's NPD – stating* ***age 65*** *is acceptable*)
E	**£1,548.92 p.a.**	(*member's pre-2006 pension at DOL, revalued to NPD*)
F	**£29,435.40 p.a.**	(*member's post-2006 pension at DOL, revalued to NPD*)
G	**£30,984.32 p.a.**	(*member's total pension at DOL, revalued to NPD*)
H	**£79,534.75**	(*member's contributions refunded for DID*)
I	**£7,563.51 p.a.**	(*spouse's DIR pension [based on member's pension at DOL]*)
J	**£12,393.73 p.a.**	(*spouse's DIR pension [based on member's pension at DOL, revalued to NPD]*)

Missing information

(1) Comparison check between CARE and Underpin pensions omitted (should mention 'preserved benefits based on CARE pension as higher than Underpin pension of £18,611.11')

(2) 5-year-guarantee as part of benefits on DIR omitted (should mention 'balance of 5 years' payments based on current pension will be payable on DIR to persons at Trustees' discretion')

(3) Transfer option omitted (should mention 'option exists to transfer to another suitable pension arrangement')

Wrong information

(1) Date of leaving incorrect (states **3 September 2006**, but should be **3 September 2026**)

(2) Text for post-5 April 2006 pension at date of leaving incorrect (states **post-5 April 2004**, but should be **post-5 April 2006**)

(3) Indexation for pre-6 April 2006 element of pension incorrect (states **lower of 5.5% or RPI**, but should be **lower of 5.0% or RPI**)

(4) Spouse's pension as a percentage of member's pension incorrect (states **50%**, but should be **40%**)

Leavers Part 1 – Question 2 (XYZ: Category B)

Calculation

(1) Preserved pension at DOL of **£10,698.40 p.a.** which, when revalued to NPD, could result in a maximum pension of **£15,053.72 p.a.** – *assuming annual increases for each complete year from DOL to NPD of 5.0%*

Spouse's pension on death before / after retirement of **£5,349.20 p.a.** {*based on member's pension at DOL*} which, when revalued to NPD, could result in a maximum pension of **£7,526.86 p.a.** {*based on member's pension at DOL, revalued to NPD*}

OR

(2) Transfer value to another pension arrangement

Leavers Part 2 – Question 1 (XYZ: Category A)

Calculation

(1) Preserved pension at DOL of **£36,298.92 p.a.** (excess over GMP = **£35,463.28 p.a.** and post-1988 GMP = **£835.64 p.a.**) which, when revalued to NPD, could result in a maximum pension of **£64,875.29 p.a.** (excess over GMP = **£63,687.09 p.a.** and post-1988 GMP = **£1,188.20 p.a.**) – *assuming annual increases on excess for each complete year from DOL to NPD (= 'GMP due date') of 5.0% and annual increases on GMP for each complete tax year from DOL to NPD (='GMP due date') at fixed rate of revaluation (3.25%)*

Spouse's pension on death before / after retirement of **£18,149.46 p.a.** {*based on member's pension at DOL*} which, when revalued to NPD, could result in a maximum pension of **£32,437.65 p.a.** {*based on member's pension at DOL, revalued to NPD*}

OR

(2) Transfer value to another pension arrangement

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

Transcription requirements

A	**£35,463.28 p.a.**	(*member's excess pension at DOL*)
B	**£835.64 p.a.**	(*member's post-1988 GMP at DOL*)
C	**£36,298.92 p.a.**	(*member's total pension at DOL*)
D	**06/04/2024**	(*date for higher accrual rate*)
E	**£63,687.09 p.a.**	(*member's excess pension at DOL, revalued to NPD*)
F	**£1,188.20 p.a.**	(*member's post-1988 GMP at DOL, revalued to NPD*)
G	**£64,875.29 p.a.**	(*member's total pension at DOL, revalued to NPD*)
H	**£18,149.46 p.a.**	(*spouse's DID pension [based on member's pension at DOL]*)
I	**£18,149.46 p.a.**	(*spouse's DIR pension [based on member's pension at DOL]*)
J	**£32,437.65 p.a.**	(*spouse's DIR pension [based on member's pension at DOL, revalued to NPD]*)

Missing information

(1) Pension increase information omitted (should mention 'total pension = 5.0% [or RPI, if less] prior to NPD, and excess = 5.0% [or RPI, if less] and post-1988 GMP = 3.0% [or CPI, if less] from NPD')

(2) Refund of contributions as part of benefits on DID omitted (should mention 'refund of contributions of £81,543.37 will be payable on DID to legal personal representatives')

(3) 5-year-guarantee as part of benefits on DIR omitted (should mention 'balance of 5 years' payments based on current pension will be payable on DIR to persons at Trustees' discretion')

Wrong information

(1) Age for NPD incorrect (states **60th birthday**, but should be **65th birthday**)

(2) Fixed revaluation rate for post-1988 GMP incorrect (states **3.0%**, but should be **3.25%**)

(3) Date for increase in minimum retirement age incorrect (states **55 rising to 57 in 2027**, but should be **55 rising to 57 in 2028**)

Leavers Part 2 – Question 2 (OPQ)

Calculation

(1) Preserved benefit at DOL of **£243,110.21** (including augmentation of **£75,114.33**)

OR

(2) Transfer value to another pension arrangement

Retirements Part 1 – Question 1 (OPQ)

Calculation

Value of Personal Retirement Account at DOR = **£117,234.65**

Options at DOR

(1) Tax-free cash sum of **£29,308.66** – [within remaining LSA of **£85,175.00** and LS&DBA of **£890,000.00**]

PLUS

Annuity of **£5,736.67 p.a.** (increasing at the lower of 3.0% or RPI) with a 50% spouse's annuity of **£2,868.34 p.a.** – {Annuity Bureau Charge of **£75.00**}

OR

(2) Tax-free cash sum of **£25,000.00** – [within remaining LSA of **£85,175.00** and LS&DBA of **£890,000.00**]

PLUS

Annuity of **£7,031.78 p.a.** (increasing at the lower of 5.0% or RPI *and* single life) – {Annuity Bureau Charge of **£75.00**}

OR

(3) Uncrystallised Funds Pension Lump Sum of **£117,234.65** (tax-free element = **£29,308.66** and taxable element = **£87,925.99**, which is taxed at member's marginal rate and paid assuming an Emergency Code on a Month 1 basis) – [tax-free element of **£29,308.66** within remaining LSA of **£85,175.00** and LS&DBA of **£890,000.00**]

OR

(4) Open Market Option

Retirements Part 1 – Question 2 (XYZ: Category A)

Calculation

Options at DOR

(1) Full pension of **£28,435.34 p.a.** (excess over GMP = **£26,101.58 p.a.**, pre-1988 GMP = **£149.24 p.a.** and post-1988 GMP = **£2,184.52 p.a.**) with a spouse's pension of **£14,217.67 p.a.**

OR

(2) 'Elected' PCLS of **£140,000.00** – [within remaining LSA of **£268,275.00** and LS&DBA of **£1,073,100.00**]

PLUS

Residual pension of **£22,817.36 p.a.** (excess over GMP = **£20,483.60 p.a.**, pre-1988 GMP = **£149.24 p.a.** and post-1988 GMP = **£2,184.52 p.a.**) with a spouse's pension of **£14,217.67 p.a.**

Retirements Part 2 – Question 3 (Draft Letter in relation to Question 2)

Transcription requirements

A	**£28,435.34 p.a.**	(*member's full pension at DOR*)
B	**£149.24 p.a.**	(*member's pre-1988 GMP at DOR*)
C	**£2,184.52 p.a.**	(*member's post-1988 GMP at DOR*)
D	**£26,101.58 p.a.**	(*member's excess [full] pension at DOR*)
E	**£140,000.00**	(*member's tax-free cash sum at DOR*)
F	**£22,817.36 p.a.**	(*member's residual pension at DOR*)
G	**£149.24 p.a.**	(*member's pre-1988 GMP at DOR*)
H	**£2,184.52 p.a.**	(*member's post-1988 GMP at DOR*
I	**£20,483.60 p.a.**	(*member's excess [residual] pension at DOR*)
J	**£268,275.00**	(*member's available Lump Sum Allowance [LSA]*)
K	**£1,073,100.00**	(*member's available Lump Sum & Death Benefit Allowance [LS&DBA]*)
L	**£14,217.67 p.a.**	(*spouse's DIR pension, based on member's full pension at DOR)*

Missing information

(1) Post-1988 GMP increases from GMP age omitted (should mention 'post-1988 GMP will increase by 3.0% per annum, or by the increase in the CPI, if lower')

(2) Spouse's pension increases omitted (should mention 'increases applied to the spouse's pension will be the same as those applied to the member's pension')

(3) One of the documentation requirements omitted (should mention the requirement for the 'completed bank details form, signed by the member')

Wrong information

(1) Member's surname incorrect (states **Mr Leonard**, but should be **Mr Alvarado**)

(2) Basis for paying member's pension incorrect (states that the pension will be paid **monthly in arrears**, but should be **monthly in advance**)

(3) First payment date incorrect (states **1 September 2026**, but should be **1 October 2026**)

Retirements Part 2 – Question 1 (RST)

Calculation

Options at DOR

(1) Full 'CARE' pension of **£25,924.32 p.a**. {*vs full 'Underpin' pension of **£17,915.10 p.a.***} (pre-2006 = **£9,160.96 p.a.** and post-2006 = **£16,763.36 p.a.**) with a spouse's pension of **£10,369.72 p.a.** (pre-2006 = **£3,664.38 p.a.** and post-2006 = **£6,705.34 p.a.**)

OR

(2) Tax-free cash sum of **£132,495.36** – [within remaining LSA of **£268,275.00** and LS&DBA of **£1,073,100.00**]

PLUS

Residual 'CARE' pension of **£19,874.30 p.a.** (pre-2006 = **£9,160.96 p.a.** and post-2006 = **£10,713.34 p.a.**) with a spouse's pension of **£10,369.72 p.a.** (pre-2006 = **£3,664.38 p.a.** and post-2006 = **£6,705.34 p.a.**)

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

Transcription requirements

A	**£25,924.32 p.a.**	(*member's full CARE pension at DOR*)
B	**£9,160.96 p.a.**	(*member's full pre-2006 CARE pension at DOR*)
C	**£16,763.36 p.a.**	(*member's full post-2006 CARE pension at DOR*)
D	**£132,495.36**	(*member's tax-fee cash sum at DOR*)
E	**£19,874.30 p.a.**	(*member's residual CARE pension at DOR*)
F	**£9,160.96 p.a.**	(*member's residual pre-2006 CARE pension at DOR*)
G	**£10,713.34 p.a.**	(*member's residual post-2006 CARE pension at DOR*)
H	**£268,275.00**	(*member's available Lump Sum Allowance [LSA]*)
I	**£1,073,100.00**	(*member's available Lump Sum & Death Benefit Allowance [LS&DBA]*)
J	**£17,915.10 p.a.**	(*member's full Underpin pension at DOR*)
K	**£10,369.72 p.a.**	(*spouse's DIR pension, based on member's full pension at DOR*)
L	**£3,664.38 p.a.**	(*spouse's DIR pre-2006 pension, based on member's full pre-2006 pension at DOR)*
M	**£6,705.34 p.a.**	(*spouse's DIR post-2006 pension, based on member's full post-2006 pension at DOR)*

Missing information

(1) Potential for young spouse reduction (YSR) omitted (should mention 'YSR will potentially apply as the spouse is more than 10 years younger than the member')

(2) Availability of LSDB on DIR omitted (should mention 'balance of 5 years' payments based on current pension will be payable to persons at Trustees' discretion')

(3) Basis for paying member's pension omitted (should mention 'pension will be payable monthly in advance')

Wrong information

(1) Member's surname incorrect (states **Mr Douglas**, but should be **Mr Henrique**)
(2) Date of retirement incorrect (states **20 September 2026**, but should be **30 September 2026**)
(3) First payment date incorrect (states **1 November 2026**, but should be **1 October 2026**)

Retirements Part 2 – Question 2 (XYZ: Category B)

Calculation

Options at DOR

(1) Full pension of **£10,308.46 p.a.** with a spouse's pension of **£5,154.23 p.a.**

OR

(2) Tax-free cash sum of **£50,000.00** – [within remaining LSA of **£268,275.00** and LS&DBA of **£1,073,100.00**]

PLUS

Residual pension of **£8,062.28 p.a.** with a spouse's pension of **£5,154.23 p.a.**