



# VOCATIONAL QUALIFICATIONS

## TRANSFERS IN AND TRANSFERS OUT

**FRIDAY 11 SEPTEMBER 2020**

**1.30 PM – 5.00 PM**

**TIME ALLOWED:**

**3 HOURS 30 MINUTES**

1. Answer **ALL** the questions.
2. Write all your answers in the answer book provided.
3. Begin each question on a new page.
4. Show all workings clearly.
5. Calculate the benefits using only the information given.
6. Factors must be rounded in accordance with the instruction in the Table of Factors. Round all other figures to two decimal places (or whatever is the normal practice where you work).

## Questions

### Section A

Calculate the transfer values of the benefits accrued by:

1. **JOEL HARTMAN – (RST)**
2. **ELLA CAFFERTY– (OPQ)**
3. **ZAC STONE – (XYZ)**

Calculate the benefits that can be provided by the transfer values received under the relevant scheme / plan for:

4. **WANG SHU – (RST)**
5. **JOSIE FELDT – (OPQ)**
6. **KATIE COLE – (XYZ)**

### Section B

7. Write a letter concerning **JOEL HARTMAN** explaining the transfer out alternative and providing information as appropriate.

The letter may be addressed either to the member or to the Trustees or to the receiving scheme / insurance company (whichever is the normal practice in the organisation for which you work).

8. Write a letter concerning **KATIE COLE** explaining the benefits available in exchange for the transfer value and providing information as appropriate.

The letter may be addressed to the member or to the Trustees (whichever is the normal practice in the organisation for which you work).

**Please note:** Candidates must not sign letters with their own names. Letters should be signed “A N Other”.

**CASE STUDY DETAILS****RST SCHEME****TRANSFERS  
QUESTION 1****Event history**

|                      |                   |              |                         |
|----------------------|-------------------|--------------|-------------------------|
| Date of first event  | <b>12/02/2020</b> | First event  | <b>PRESERVED LEAVER</b> |
| Date of second event | <b>24/03/2020</b> | Second event | <b>TRANSFER OUT</b>     |

**Member details**

|                                 |                   |           |             |
|---------------------------------|-------------------|-----------|-------------|
| Surname                         | <b>HARTMAN</b>    | Forenames | <b>JOEL</b> |
| Date of birth                   | <b>07/05/1971</b> | Gender    | <b>MALE</b> |
| Spouse's date of birth          | <b>12/09/1979</b> |           |             |
| Dependent child's date of birth |                   |           |             |
| Date of joining company         | <b>04/04/1990</b> |           |             |
| Date of joining scheme          | <b>06/04/1990</b> |           |             |

**Contribution history**

|   |          |                  |
|---|----------|------------------|
| Total member's normal contributions           | <b>£</b> | <b>19,233.44</b> |
| Post 05/04/1997 member's normal contributions | <b>£</b> | <b>14,723.20</b> |
| Total member's AVCs                           | <b>£</b> | <b>10,999.34</b> |
| Current value of AVCs                         | <b>£</b> | <b>11,924.35</b> |

**Preserved benefits**

|   |   |                  |
|---|---|------------------|
| Member's total pension at age 65 (per annum): | £ | <b>21,367.22</b> |
|---|---|------------------|

Including:

- |   |   |                 |
|---|---|-----------------|
| • Member's pension earned between 06/04/1997 and 05/04/2006 at age 65 (per annum) | £ | <b>6,431.53</b> |
| • Member's pension earned from 06/04/2006 at age 65 (per annum)                   | £ | <b>9,914.39</b> |

**Special circumstances / additional information**

|  |   |                 |
|--|---|-----------------|
| Spouse's pension on death after retirement (per annum) | £ | <b>8,546.88</b> |
|--|---|-----------------|

|                   |  |             |
|-------------------|--|-------------|
| Adjustment factor |  | <b>0.99</b> |
|-------------------|--|-------------|

**THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 7)**

**CASE STUDY DETAILS****OPQ PLAN****TRANSFERS  
QUESTION 2****Event history**

|                      |                   |              |                         |
|----------------------|-------------------|--------------|-------------------------|
| Date of first event  | <b>12/06/2019</b> | First event  | <b>PRESERVED LEAVER</b> |
| Date of second event | <b>23/03/2020</b> | Second event | <b>TRANSFER OUT</b>     |

**Member details**

|                                 |                   |           |               |
|---------------------------------|-------------------|-----------|---------------|
| Surname                         | <b>CAFFERTY</b>   | Forenames | <b>ELLA</b>   |
| Date of birth                   | <b>12/05/1960</b> | Gender    | <b>FEMALE</b> |
| Spouse's date of birth          | <b>09/03/1955</b> |           |               |
| Dependent child's date of birth |                   |           |               |
| Date of joining company         | <b>12/09/1994</b> |           |               |
| Date of joining plan            | <b>12/09/1994</b> |           |               |
| Target retirement date          | <b>12/09/2022</b> |           |               |

**Contribution history**

|                                       |          |                  |
|---------------------------------------|----------|------------------|
| Total member's normal contributions   | <b>£</b> | <b>14,322.49</b> |
| Total employer's normal contributions | <b>£</b> | <b>22,915.98</b> |
| Total member's AVCs                   | <b>£</b> | <b>6,329.45</b>  |

## Personal Retirement Account details

### Member's Current Unit Holdings

| <b>Fund</b>            | <b>Member's normal contributions</b> | <b>Employer's normal contributions</b> | <b>Member's AVCs</b> |
|------------------------|--------------------------------------|--|----------------------|
|                        | <b>Unit Holdings</b>                 | <b>Unit Holdings</b>                   | <b>Unit Holdings</b> |
| Global Equity Fund     |                                      |  |                      |
| Index Linked Bond Fund |                                      |  |                      |
| Balanced Fund          |                                      |  |                      |
| Corporate Bond Fund    |                                      |  |                      |
| Cash Fund              |                                      |  |                      |
| Lifestyle Fund         | 5,293.7879                           | 8,470.0606                             | 2,845.9944           |

### Investment Fund Unit Prices

| <b>Fund</b>            | <b>Current Unit Price (£)</b> |
|------------------------|-------------------------------|
| Global Equity Fund     | 5.219                         |
| Index Linked Bond Fund | 1.312                         |
| Balanced Fund          | 4.232                         |
| Corporate Bond Fund    | 1.519                         |
| Cash Fund              | 1.012                         |

### Special circumstances / additional information

**CASE STUDY DETAILS****XYZ SCHEME****TRANSFERS  
QUESTION 3****Event history**

|                      |                   |              |                         |
|----------------------|-------------------|--------------|-------------------------|
| Date of first event  | <b>08/08/2019</b> | First event  | <b>PRESERVED LEAVER</b> |
| Date of second event | <b>20/03/2020</b> | Second event | <b>TRANSFER OUT</b>     |

**Member details**

|                                 |                   |           |             |
|---------------------------------|-------------------|-----------|-------------|
| Surname                         | <b>STONE</b>      | Forenames | <b>ZAC</b>  |
| Date of birth                   | <b>23/06/1970</b> | Gender    | <b>MALE</b> |
| Spouse's date of birth          | <b>12/05/1968</b> |           |             |
| Dependent child's date of birth |                   |           |             |
| Date of joining company         | <b>07/05/1989</b> |           |             |
| Date of joining scheme          | <b>07/06/1989</b> |           |             |
| Category of membership          | <b>A</b>          |           |             |

**Contribution history**

|   |          |                  |
|---|----------|------------------|
| Total member's normal contributions           | <b>£</b> | <b>22,786.04</b> |
| Post 05/04/1997 member's normal contributions | <b>£</b> | <b>16,861.67</b> |
| Total member's AVCs                           | <b>£</b> | <b>13,121.45</b> |
| Current value of AVCs                         | <b>£</b> | <b>14,666.99</b> |

### **Preserved benefits**

|  |   |                  |
|--|---|------------------|
| Member's total pension at age 65 (per annum) | £ | <b>19,983.20</b> |
|--|---|------------------|

Including:

- |   |   |                  |
|---|---|------------------|
| • Post 05/04/1997 pension at age 65 (per annum) | £ | <b>14,787.57</b> |
| • Pre 06/04/1988 GMP at age 65 (per annum)      | £ |                  |
| • Post 05/04/1988 GMP at age 65 (per annum)     | £ | <b>413.40</b>    |
| • Total GMP at exit (per annum)                 | £ | <b>325.00</b>    |

### **Special circumstances / additional information**

|  |   |                 |
|--|---|-----------------|
| Spouse's pension on death after retirement (per annum) | £ | <b>7,393.79</b> |
|--|---|-----------------|

|                   |  |             |
|-------------------|--|-------------|
| Adjustment factor |  | <b>0.97</b> |
|-------------------|--|-------------|



**CASE STUDY DETAILS****RST SCHEME****TRANSFERS  
QUESTION 4****Event history**

|                      |                   |              |                    |
|----------------------|-------------------|--------------|--------------------|
| Date of first event  | <b>22/03/2020</b> | First event  | <b>TRANSFER IN</b> |
| Date of second event |                   | Second event |                    |

**Member details**

|                                 |                   |           |             |
|---------------------------------|-------------------|-----------|-------------|
| Surname                         | <b>SHU</b>        | Forenames | <b>WANG</b> |
| Date of birth                   | <b>04/05/1976</b> | Gender    | <b>MALE</b> |
| Spouse's date of birth          | <b>09/09/1974</b> |           |             |
| Dependent child's date of birth |                   |           |             |
| Date of joining company         | <b>03/04/2019</b> |           |             |
| Date of joining scheme          | <b>06/04/2019</b> |           |             |

**Contribution history**

|                                     |          |                 |
|-------------------------------------|----------|-----------------|
| Total member's normal contributions | <b>£</b> | <b>1,935.56</b> |
| Total member's AVC                  | <b>£</b> |                 |
| Current value of AVCs               | <b>£</b> |                 |

### **Preserved benefits from previous scheme**

|                                       |   |           |
|---------------------------------------|---|-----------|
| Pension payable at age 65 (per annum) | £ | 16,722.34 |
|---------------------------------------|---|-----------|

### **Transfer value details from previous scheme**

|                               |   |           |
|-------------------------------|---|-----------|
| Member's total transfer value | £ | 51,331.32 |
|-------------------------------|---|-----------|

Including:

- |   |   |           |
|---|---|-----------|
| • Member's total contributions                          | £ | 21,333.55 |
| • Transfer value in respect of post 05/04/1997 benefits | £ | 48,764.75 |
| • Member's post 05/04/1997 contributions                | £ | 20,266.87 |
| • Transfer value in respect of post 05/04/2006 benefits | £ | 29,002.20 |
| • Member's post 05/04/2006 contributions                | £ | 12,053.46 |

### **Special circumstances / additional information**

Wang Shu is considering transferring in his benefits from the registered Defined Benefit arrangement of his previous employer.

|                   |      |
|-------------------|------|
| Adjustment factor | 0.99 |
|-------------------|------|

**CASE STUDY DETAILS****OPQ PLAN****TRANSFERS  
QUESTION 5****Event history**

|                      |                   |              |                    |
|----------------------|-------------------|--------------|--------------------|
| Date of first event  | <b>21/03/2020</b> | First event  | <b>TRANSFER IN</b> |
| Date of second event |                   | Second event |                    |

**Member details**

|                                 |                   |           |               |
|---------------------------------|-------------------|-----------|---------------|
| Surname                         | <b>FELDT</b>      | Forenames | <b>JOSIE</b>  |
| Date of birth                   | <b>12/01/1962</b> | Gender    | <b>FEMALE</b> |
| Spouse's date of birth          | <b>15/04/1958</b> |           |               |
| Dependent child's date of birth |                   |           |               |
| Date of joining company         | <b>07/05/2019</b> |           |               |
| Date of joining plan            | <b>07/05/2019</b> |           |               |
| Target retirement date          | <b>12/01/2023</b> |           |               |

**Contribution history**

|                                       |          |                 |
|---------------------------------------|----------|-----------------|
| Total member's normal contributions   | <b>£</b> | <b>839.24</b>   |
| Total employer's normal contributions | <b>£</b> | <b>1,342.78</b> |
| Total member's AVCs                   | <b>£</b> | <b>311.42</b>   |

## Personal Retirement Account details

### Member's Current Unit Investment Choices

| <b>Fund</b>            | <b>Member's normal contributions</b> | <b>Employer's normal contributions</b> | <b>Member's AVCs</b>  |
|------------------------|--------------------------------------|--|-----------------------|
|                        | <b>Allocation (%)</b>                | <b>Allocation (%)</b>                  | <b>Allocation (%)</b> |
| Global Equity Fund     |                                      |  |                       |
| Index Linked Bond Fund |                                      |  |                       |
| Balanced Fund          | 10.00                                | 10.00                                  |                       |
| Corporate Bond Fund    | 20.00                                | 20.00                                  | 30.00                 |
| Cash Fund              |                                      |  |                       |
| Lifestyle Fund         | 70.00                                | 70.00                                  | 70.00                 |

### Investment Fund Unit Prices

| <b>Fund</b>            | <b>Current Unit Price (£)</b> |
|------------------------|-------------------------------|
| Global Equity Fund     | 5.220                         |
| Index Linked Bond Fund | 1.317                         |
| Balanced Fund          | 4.341                         |
| Corporate Bond Fund    | 1.519                         |
| Cash Fund              | 1.015                         |

### Transfer value details from previous scheme

Member's total transfer value (including AVCs) £ **20,494.33**

Including:

- Current value of member's contributions £ **10,119.88**
- Current value of AVCs £ **8,254.13**

### Special circumstances / additional information

Following Josie Feldt's written authority to proceed, the transfer in of her benefits from the registered Defined Contribution arrangement of her previous employer took place on 21 March 2020. The transfer in was allocated in accordance with Josie Feldt's current investment choices and was based on the Investment Fund Unit Prices detailed above.

**CASE STUDY DETAILS****XYZ SCHEME****TRANSFERS  
QUESTION 6****Event history**

|                      |                   |              |                    |
|----------------------|-------------------|--------------|--------------------|
| Date of first event  | <b>21/03/2020</b> | First event  | <b>TRANSFER IN</b> |
| Date of second event |                   | Second event |                    |

**Member details**

|                                 |                   |           |               |
|---------------------------------|-------------------|-----------|---------------|
| Surname                         | <b>COLE</b>       | Forenames | <b>KATIE</b>  |
| Date of birth                   | <b>12/11/1966</b> | Gender    | <b>FEMALE</b> |
| Spouse's date of birth          | <b>04/07/1971</b> |           |               |
| Dependent child's date of birth |                   |           |               |
| Date of joining company         | <b>08/07/2019</b> |           |               |
| Date of joining scheme          | <b>08/08/2019</b> |           |               |
| Category of membership          | <b>A</b>          |           |               |

**Contribution history**

|                                     |          |               |
|-------------------------------------|----------|---------------|
| Total member's normal contributions | <b>£</b> | <b>712.45</b> |
| Total member's AVCs                 | <b>£</b> |               |
| Current value of AVCs               | <b>£</b> |               |

### **Preserved benefits from previous scheme**

|                                       |   |                  |
|---------------------------------------|---|------------------|
| Pension payable at age 65 (per annum) | £ | <b>13,900.67</b> |
|---------------------------------------|---|------------------|

Including:

- |   |   |               |
|---|---|---------------|
| • Pre 06/04/1988 GMP at age 65 (per annum)  | £ |               |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | <b>636.48</b> |
| • GMP at exit (per annum)                   | £ | <b>317.20</b> |

### **Transfer value details from previous scheme**

|   |   |                  |
|---|---|------------------|
| Member's total transfer value (including GMP liability) | £ | <b>29,885.11</b> |
|---|---|------------------|

Including:

- |   |   |                  |
|---|---|------------------|
| • Member's total contributions                          | £ | <b>11,564.32</b> |
| • Transfer value in respect of post 05/04/1997 benefits | £ | <b>22,712.68</b> |
| • Member's post 05/04/1997 contributions                | £ | <b>8,788.88</b>  |

### **Special circumstances / additional information**

Katie Cole is considering transferring in her benefits from the registered Defined Benefit arrangement of her previous employer.

|                   |             |
|-------------------|-------------|
| Adjustment factor | <b>0.98</b> |
|-------------------|-------------|

**THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 8)**