# WORKED ANSWER RST SCHEME PRS => RETIREMENT (NORMAL)

# BEATRICE DE SOUSA

Date of birth: 08/09/1956

Date of retirement: 08/09/2021

Age at date of retirement: 65 years

Normal pension age: 65

Type of retirement: Normal retirement

Spouse’s date of birth: 05/11/1966 (spouse > 10 years younger)

Pre 6 April 2006 CARE pension @ DOL: £5,216.04

Post 5 April 2006 CARE pension @ DOL: £712.09

Revaluation at lower of 5%/CPI: 29.80%

Commutation factor: 13.80 (Age 65yrs)

# Scheme Pension Member Spouse (*40%*)

Pre 6 April 2006 CARE pension: £5,216.04 x 1.298 ***£ 6,770.42 pa*** ***£ 2,708.17 pa***

Post 5 April 2006 CARE pension: £712.09 x 1.298 ***£ 924.29 pa*** ***£ 369.72 pa***

# Total Scheme Pension

£6,770.42 + £924.29 = **£ 7,694.71 pa £3,077.89 pa**

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| **Option 1 – Full Pension**  Pension: | **Member**  **£7,694.71 pa** | **Spouse** (***40%***)  **£3,077.89 pa** |

***Lifetime Allowance Check*:** £7,694.71 x 20 x 100 / £1,073,100.00 = **14.34%**

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| *14.34% is within the member’s LTA balance of 100.00%* |  |

# Option 2 – Pension Commencement Lump Sum & Residual Pension

# Lump Sum

20 x £7,694.71 / [3 + (20 / 13.80)] = **£ 34,588.60**

***Lifetime Allowance Check*:** £34,588.60 x 100 / £1,073,100.00 = **3.22%**

# Residual Member Pension:

£7,694.71 – (£34,588.60 / 13.80 = £2,506.42) = **£ 5,188.29 pa**

Pre 6 April 2006 = ***£ 5,188.29 pa***

Post 5 April 2006 = ***£ 0.00 pa***

Spouse’s Pension unchanged @ **£3,077.89 pa** (Pre ’06 = ***£2,708.17 pa*** & Post ’06 = ***£369.72 pa***)

***Lifetime Allowance Check*:** £5,188.29 x 20 x 100 / £1,073,100.00 = **9.66%**

Total Lifetime Allowance for Option 2 = 3.22 + 9.66 = **12.88%**

# *12.88% is within the member’s LTA balance of 100.00%*

# Summary Answer

*Option 1 – Pension Only*

A full pension of **£7,694.71 per annum**, of which **£6,770.42** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£924.29** **per annum** increases at the lower of RPI and 2.5% (post-2006). LTA used is **14.34%**, which is within the percentage LTA remaining of **100.00%**.

A spouse’s pension of **£3,077.89** **per annum**, of which **£2,708.17** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£369.72** **per annum** increases at the lower of RPI and 2.5% (post-2006).

OR

*Option 2 – Pension Commencement Lump Sum & Residual Pension*

A pension commencement lump sum of **£34,588.60** plus a residual pension of **£5,188.29** **per annum**, all of which increases at the lower of RPI and 5.0% (pre-2006). LTA used is **3.22%** for the pension commencement lump sum and **9.66%** for the residual pension [total LTA = **12.88%**], which is within the percentage LTA remaining of **100.00%**.

A spouse’s pension of **£3,077.89** **per annum**, of which **£2,708.17** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£369.72** **per annum** increases at the lower of RPI and 2.5% (post-2006).