# WORKED ANSWER XYZ SCHEME ACT => RET (NORMAL)

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| **ANDREW REDWOOD – CATEGORY B**  Date of birth: | 02/09/1957 |
| Date of joining scheme: | 06/11/1997 |
| Date of retirement: | 02/09/2022 |
| Age at date of retirement: | 65 years & 0 months |
| Normal pension date: | 02/09/2022 |
| Type of retirement: | Normal retirement |
| Transfer in (payable from NPD): | £3,874.36 per annum |
| Commutation factor: | 13.80 (based on age 65 years & 0 months) |

Pensionable service to 3 July 2011 (06/11/1997 to 03/07/2011): 13 years & 240 days

Final pensionable salary is the greater of the following:

* Final pensionable salary calculated at NPD or earlier date of retirement:

2018 = £79,200.00

2019 = £81,050.00

2020 = £83,270.00

2021 = £84,950.00

2022 = **£85,500.00 (*HIGHER*)**

* Final pensionable salary at 3 July 2011 increased by the lower of 5.0% / RPI from 4 July 2011 to NPD or earlier date of retirement:

£61,150.00 @ 33.9% = **£81,879.85 (*LOWER*)**

# Option 1 – Full Pension

Member: 13yrs & 240dys / 60 x £85,500.00 = £19,461.99 pa

Transfer**:**  = £3,874.36 pa

**£23,336.35 pa**

Spouse: £23,336.35 x 50% = ***£11,668.18 pa***

***Lifetime Allowance Check:*** £23,336.35 x 20 x 100 / £1,073,100.00 = **43.49%**

*43.49% is within the member’s LTA balance of 100.00%*

**OR**

# Option 2 – Pension Commencement Lump Sum and Residual Pension Cash Sum

Member: £23,336.35 x 20 / [3 + (20 / 13.80)] = **£104,899.55**

***Lifetime Allowance Check:*** £104,899.55 x 100 / £1,073,100.00 = **9.77%**

**Residual Pension**

Member: £23,336.35

– (£104,899.55 / 13.80 = £7,601.42) = **£15,734.93 pa**

Spouse: £23,336.35 x 50% = ***£11,668.18 pa***

***Lifetime Allowance Check:*** £15,734.93 x 20 x 100 / £1,073,100.00 = **29.32%**

Total Lifetime Allowance for Option 2 = 9.77% + 29.32% = **39.09%**

*39.09% is within the member’s LTA balance of 100.00%*

**Summary Answer**

*Option 1 – Pension Only*

A full pension of **£23,336.35** per annum, including the transferred-in pension of **£3,874.36** per annum, which increases at the lower of RPI and 5.0%. LTA used is **43.49%**, which is within the percentage LTA remaining of 100.00%.

A spouse’s pension of **£11,668.18** per annum, which increases at the lower of RPI and 5.0%.

OR

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

A tax-free cash sum of **£104,899.55** plus a residual pension of **£15,734.93** per annum, including the transferred-in pension of **£3,874.36** per annum, which increases at the lower of RPI and 5.0%. LTA used is **9.77%** for the tax-free cash sum and **29.32%** for the residual pension [total LTA = **39.09%**], which is within the percentage LTA remaining of 100.00%.

A spouse’s pension of **£11,668.18** per annum, which increases at the lower of RPI and 5.0%.