**WORKED ANSWER XYZ SCHEME PRS => RET (NORMAL)**

**JESSICA BEECH – CATEGORY B**

Date of birth: 03/09/1957

Date of joining scheme: 06/11/1997

Date of leaving scheme: 02/11/2014

Date of retirement: 03/09/2022

Age at date of retirement: 65 years & 0 months

Normal pension date: 03/09/2022

Type of retirement: Preserved to normal retirement

Preserved pension at DOL: £5,417.82

Pension revaluation: 17.20% (lower 5.0% / RPI)

Commutation factor: 13.80 (based on age 65 years & 0 months)

# Option 1 – Full Pension

Member: £5,417.82 @ 17.20% = **£6,349.69 pa**

Spouse: £6,349.69 x 50% = ***£3,174.85 pa***

***Lifetime Allowance Check*:** £6,349.69 x 20 x 100 / £1,073,100.00 = **11.83%**

*11.83% is within the member’s LTA balance of 95.21%*

**OR**

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

Member: £6,349.69 x 20 / [3 + (20 / 13.80) = = **£28,542.58**

***Lifetime Allowance Check*:** £28,542.58 x 100 / £1,073,100.00 = **2.65%**

# Residual Pension

Member: £6,349.69

 – (£28,542.58 / 13.80 = £2,068.30) = **£4,281.39 pa**

Spouse: £6,349.69 x 50% = ***£3,174.85 pa***

***Lifetime Allowance Check*:** £4,281.39 x 20 x 100 / £1,073,100.00 = **7.97%**

Total Lifetime Allowance for Option 2 = 2.65% + 7.97% = **10.62%**

*10.62% is within the member’s LTA balance of 95.21%*

**Summary Answer**

*Option 1 – Pension Only*

A full pension of **£6,349.69** per annum, which increases at the lower of RPI and 5.0%. LTA used is **11.83%**, which is within the percentage LTA remaining of 95.21%.

A spouse’s pension of **£3,174.85** 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 **£28,542.58** plus a residual pension of **£4,281.39** per annum, which increases at the lower of RPI and 5.0%. LTA used is **2.65%** for the tax-free cash sum and **7.97%** for the residual pension [total LTA = **10.62%**], which is within the percentage LTA remaining of 95.21%.

A spouse’s pension of **£3,174.85** per annum, which increases at the lower of RPI and 5.0%.