**WORKED ANSWER XYZ SCHEME ACTIVE TO LATE RETIREMENT**

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| **ROSY-JESS RODRIGUEZ – CATEGORY B**  Date of birth: | 19/03/1955 |
| Date of joining scheme: | 06/11/1997 |
| Date of retirement: | 10/09/2023 |
| Age at date of retirement: | 68yrs & 5mths |
| Normal pension age: | 65yrs & 0mths |
|  |  |
| Commutation factor: | 18.54 (age 68yrs & 5mths) |
|  | *18.84 – [5/12 x 0.72 = 0.30]* |
| Late retirement factor: | 1.110 (based on 3yrs & 5mths from NPD to DOR) |
|  | *1.095 + [5/12 x 0.036 = 0.015%]* |

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

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Pensionable service {*5 days per week*} – (06/11/1997 to 17/02/2006): 8 years & 104 days

Pensionable service {*3 days per week*} – (18/02/2006 to 16/03/2009): 3 years & 27 days

Pensionable service {*2 days per week*} – (17/03/2009 to 03/07/2011): 2 years & 109 days

Final pensionable salary is the greater of the following:

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

2015 = £64,000.00

2016 = £66,100.00

2017 = £71,000.00

2018 = £73,250.00

2019 = ***£74,900.00***

* Final pensionable salary at 3 July 2011 (indexed by the lower of 5.0% and RPI annual increases from 4 July 2011 to NPD, or earlier date of retirement):

£57,560.00 @ 25.8% = ***£72,410.48***

Greater of £74,900.00 and £72,410.48 = **£74,900.00**

**Option 1 – Full Pension**

**Full Pension**

Member (split 1): £74,900.00 x [8yrs + (104dys/365dys)] / 60 = £10,342.36 pa

+ +

Member (split 2): £74,900.00 x [3yrs + (27dys/365dys)] / 60 x 3/5 = £2,302.41 pa + +

Member (split 3): £74,900.00 x [2yrs + (109dys/365dys)] / 60 x 2/5 = £1,147.78 pa

Member (total: pre-LRF): ***£13,792.55 pa***

Member (total: post-LRF): £13,792.55 x 1.110 = **£15,309.73 pa**

Spouse (payable on death): £15,309.73 x 50% = ***£7,654.87 pa***

***Lifetime Allowance Check:*** £15,309.73 x 20 x 100 / £1,073,100.00 = **28.53%**

*28.53% is within the member’s LTA balance of 91.46%*

**OR**

**Option 2 – Cash Sum & Residual Pension**

**Cash Sum**

Member: £15,309.73 x 20 / [3 + (20 / 18.54)] = **£75,070.72**

***Lifetime Allowance Check:*** £75,070.72 x 100 / £1,073,100.00 = **6.99%**

**Residual Pension**

Member: £15,309.73 – (£75,070.72 / 18.54 = £4,049.12) = **£11,260.61 pa**

Spouse (payable on death): £15,309.73 x 50% = ***£7,654.87 pa***

***Lifetime Allowance Check:*** £11,260.61 x 20 x 100 / £1,073,100.00 = **20.98%**

Total Lifetime Allowance for Option 2 = 6.99% + 20.98% = **27.97%**

*27.97% is within the member’s LTA balance of 91.46%*

**Summary Answer**

*Option 1 – Pension Only*

A full pension of **£15,309.73** **per annum**, which will be increased each year on 1 April by the lower of the increase in the RPI and 5.0% (*pro-rated for the first year*). The LTA used is **28.53%**, which is within the percentage LTA remaining of **91.46%**.

A spouse’s pension of **£7,654.87 per annum**.

OR

*Option 2 – Cash Sum & Residual Pension*

A tax-free cash sum of **£75,070.72** plus a residual pension of **£11,260.61** **per annum**, which will be increased each year on 1 April by the lower of the increase in the RPI and 5.0% (*pro-rated for the first year*). The LTA used is **6.99%** for the tax-free cash sum and **20.98%** for the residual pension [total LTA = **27.97%**], which is within the percentage LTA remaining of **91.46%**.

A spouse’s pension of **£7,654.87 per annum**.