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

# GILLIAN ASHTON

Date of birth: 12/09/1958

Date of retirement: 12/09/2023

Age at date of retirement: 65 years

Normal pension age: 65

Type of retirement: Normal retirement

Spouse’s date of birth: 17/02/1960 (spouse < 10 years younger)

Pre-2006 CARE pension @ DOL: £7,001.26

Post-2006 CARE pension @ DOL: £1,802.10

Revaluation at lower of 5.0%/CPI: 43.2%

Commutation factor: 18.50 (Age 65yrs)

**Option 1 – Full Pension**

**Full Pension**

Member (pre-2006): £7,001.26 x 1.432 = **£10,025.80 pa**

Member (post-2006): £1,802.10 x 1.432 = **£2,580.61 pa**

Member (total): £10,025.80 + £2,580.61 = **£12,606.41 pa**

Spouse (pre-2006): £10,025.80 x 40% = ***£4,010.32 pa***

Spouse (post-2006): £2,580.61 x 40% = ***£1,032.24 pa***

Spouse (total): £4,010.32 + £1,032.24 = ***£5,042.56 pa***

***Lifetime Allowance Check:*** £12,606.41 x 20 x 100 / £1,073,100.00 = **23.49%**

*23.49% is within the member’s LTA balance of 87.21%*

**OR**

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

**Cash Sum**

Member: £12,606.41 x 20 / [3 + (20 / 18.50)] = **£61,779.76**

***Lifetime Allowance Check:*** £61,779.76 x 100 / £1,073,100.00 = **5.75%**

**Residual Pension**

Member (total): £12,606.41 – (£61,779.76 / 18.50 = £3,339.45) = **£9,266.96 pa**

Member (post-2006): £2,580.61 – £2,580.61 = **£0.00 pa**

Member (pre-2006): £10,025.80 – (£3,339.45 - £2,580.61) = **£9,266.96 pa**

Spouse (pre-2006): Unchanged = ***£4,010.32 pa***

Spouse (post-2006): Unchanged = ***£1,032.24 pa***

Spouse (total): Unchanged = ***£5,042.56 pa***

***Lifetime Allowance Check:*** £9,266.96 x 20 x 100 / £1,073,100.00 = **17.27%**

Total Lifetime Allowance for Option 2 = 5.75% + 17.27% = **23.02%**

*23.02% is within the member’s LTA balance of 87.21%*

# Summary Answer

*Option 1 – Pension Only*

A full pension of **£12,606.41 per annum**, of which **£10,025.80** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£2,580.61** **per annum** increases at the lower of RPI and 2.5% (post-2006). LTA used is **23.49%**, which is within the percentage LTA remaining of **87.21%**.

A spouse’s pension of **£5,042.56** **per annum**, of which **£4,010.32** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£1,032.24** **per annum** increases at the lower of RPI and 2.5% (post-2006).

OR

*Option 2 – Cash Sum & Residual Pension*

A tax-free cash sum of **£61,779.76** plus a residual pension of **£9,266.96** **per annum**, all of which increases at the lower of RPI and 5.0% (pre-2006). LTA used is **5.75%** for the tax-free cash sum and **17.27%** for the residual pension [total LTA = **23.02%**], which is within the percentage LTA remaining of **87.21%**.

A spouse’s pension of **£5,042.56** **per annum**, of which **£4,010.32** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£1,032.24** **per annum** increases at the lower of RPI and 2.5% (post-2006).