**RST Letter – Key Points – Michelle Sherrock (DOR: 9 September 2023)**

**1a. Full pension – (Option 1)**

* Full CARE pension of £26,603.89 per annum (split £9,743.62 per annum for pre-2006 and £16,860.27 per annum for post-2006) – [LTA used is 49.58%]

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* The pre-2006 pension of £9,743.62 per annum will be increased each year on 1 October by the lower of the increase in the Retail Prices Index and 5.0%
* The post-2006 pension of £16,860.27 per annum will be increased each year on 1 October by the lower of the increase in the Retail Prices Index and 2.5%

*OR*

**1b. Tax-free cash sum & residual pension – (Option 2)**

* Tax-free cash sum of £134,153.60 – [LTA used is 12.50%]

PLUS

Residual pension of £20,123.04 per annum (split £9,743.62 per annum for pre-2006 and £10,379.42 per annum for post-2006) – [LTA used is 37.50%]

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* The pre-2006 pension of £9,743.62 per annum will be increased each year on 1 October by the lower of the increase in the Retail Prices Index and 5.0%
* The post-2006 pension of £10,379.42 per annum will be increased each year on 1 October by the lower of the increase in the Retail Prices Index and 2.5%

**2. Payment of pension**

* + The pension will be paid by monthly instalments in advance
	+ The first payment of pension will be made on 1 October 2023
	+ The pension will be paid for life and will be subject to PAYE

**3. Death in retirement**

* If the member dies before 60 monthly instalments of pension have been paid, the balance of the 60 months (based on the rate of pension payable at the member’s date of death) will be paid as a lump sum death benefit
* For both options, a spouse’s pension will be payable on the death of the member of £10,641.56 per annum (split £3,897.45 per annum for pre-2006 and £6,744.11 per annum for post-2006) – (*these figures are before* *any annual increases are applied between the member’s date of retirement and the member’s date of death*)
* The spouse’s pension will be paid for life and will be subject to PAYE

**4. General information**

* CARE pension of £26,603.89 per annum is higher than Underpin pension of £22,494.12 per annum
* Must mention any special circumstances (i.e. enhanced accrual rate for CARE pension)
* Must mention that pension has been reduced for early payment
* Must mention spouse > 10 years younger than member

**5. Details required**

* + Request a copy of the member’s birth certificate
	+ Request the member’s completed ‘Option choice’ form
	+ Request the member’s completed ‘Bank details’ form