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

# ABIGAIL MARSH

Date of birth: 04/09/1959

Date joined scheme: 06/04/1999

Date of retirement: 04/09/2024

Age at date of retirement: 65 years & 0 months

Normal pension age: 65

Normal pension date: 04/09/2024

Type of retirement: Normal retirement

Spouse’s date of birth: 12/08/1948 (spouse < 10 years younger)

Pre-2006 CARE pension @ 5 April 2024: £6,220.48 pa

Post-2006 CARE pension @ 5 April 2024: £14,802.61 pa

Pro-rata CPI: 2.1%

CARE enhanced accrual rate [***55ths***]: 6yrs & 4mths (06/04/2018 – 04/09/2024)

Pensionable earnings: £79,951.33 [(£78,124+£80,050+£81,680) / 3] Pensionable service (6 April 2024 to DOR): 0yrs & 4mths (06/04/2024 – 04/09/2024)

Contractual salary: £82,420.00

Underpin (total service to DOR): 25yrs & 4mths (06/04/1999 - 04/09/2024)

Underpin (pre-2006 pens. service #1 [***90ths***]): 7yrs & 0mths (06/04/1999 - 05/04/2006)

Underpin (post-2006 pens. service #2 [***90ths***]): 12yrs & 0mths (06/04/2006 - 05/04/2018)

Underpin (post-2006 pens. service #3 [***70ths***]): 6yrs & 4mths (06/04/2018 - 04/09/2024)

Remaining ‘LS&DBA’: £1,073,100.00

Remaining ‘LSA’: £268,275.00

Commutation factor: 18.50 (age 65yrs)

# CARE Pension

Pension @ 5/4/24 (pre-2006): = ***£6,220.48 pa***

Pro-rata CPI increase: £6,220.48 x 2.1% = ***£130.63 pa***

Member (pre-2006): £6,220.48 + £130,63 = **£6,351.11 pa**

Pension @ 5/4/24 (post-2006): = ***£14,802.61 pa***

Pro-rata CPI increase: £14,802.61 x 2.1% = ***£310.85 pa***

YTD pension: £79,951.33 x 4/12 x 1/**55** = ***£484.55 pa***

Member (post-2006): £14,802.61 + £310.85 + £484.55 = **£15,598.01 pa**

Total CARE pension: £6,351.11 + £15,598.01 = **£21,949.12 pa**

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Spouse (pre-2006): £6,351.11 x 40% = ***£2,540.44 pa***

Spouse (post-2006): £15,598.01 x 40% = ***£6,239.20 pa***

Spouse (total): £2,540.44 + £6,239.20 = ***£8,779.64 pa***

# Final Salary Underpin

Pension (pre-2006 #1): £82,420.00 x 70/12 x 1/90 = ***£6,410.44 pa***

Pension (post-2006 #2): £82,420.00 x 120/12 x 1/90 = ***£10,989.33 pa***

Pension (post-2006 #3): £82,420.00 x 64/12 x 1/**70** = ***£7,457.05 pa***

Total Underpin pension: £6,410.44 + £10,989.33 + £7,457.05 = **£24,856.82 pa**

# Total Underpin pension of £24,856.82 pa exceeds total CARE pension of £21,949.12 pa!

**Option 1 – Full Pension (Underpin)**

**Full Pension**

Member (pre-2006): = **£6,410.44 pa**

Member (post-2006): £10,989.33 + £7,457.05 = **£18,446.38 pa**

Member (total): £6,410.44 + £18,446.38 = **£24,856.82 pa**

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Spouse (pre-2006): £6,410.44 x 40% = ***£2,564.18 pa***

Spouse (post-2006): £18,446.38 x 40% = ***£7,378.55 pa***

Spouse (total): £2,564.18 + £7,378.55 = ***£9,942.73 pa***

**OR**

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

**Cash Sum**

Member: £24,856.82 x 20 / [3 + (20 / 18.50)] = **£121,814.88**

***‘LS&DBA’ Check:*** £121,814.88 vs £1,073,100.00 = **OK**

***‘LSA’ Check:*** £121,814.88 vs £268,275.00 = **OK**

**Residual Pension**

Member (total): £24,856.82 – (£121,814.88 / 18.50 = £6,584.59) = **£18,272.23 pa**

Member (post-2006): £18,446.38 – £6,584.59 = **£11,861.79 pa**

Member (pre-2006): = **£6,410.44 pa**

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Spouse (pre-2006): Unchanged = ***£2,564.18 pa***

Spouse (post-2006): Unchanged = ***£7,378.55 pa***

Spouse (total): Unchanged = ***£9,942.73 pa***

# Summary Answer

*Option 1 – Pension Only*

A full pension of **£24,856.82 per annum**, of which **£6,410.44** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£18,446.38** **per annum** increases at the lower of RPI and 2.5% (post-2006).

A spouse’s pension of **£9,942.73** **per annum**, of which **£2,564.18** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£7,378.55** **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 **£121,814.88** plus a residual pension of **£18,272.23** **per annum**, of which **£6,410.44** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£11,861.79** **per annum** increases at the lower of RPI and 2.5% (post-2006). The tax-free cash sum of **£121,814.88** is within both the member’s available ‘LS&DBA’ of **£1,073,100.00** and ‘LSA’ of **£268,275.00**.

A spouse’s pension of **£9,942.73** **per annum**, of which **£2,564.18** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£7,378.55** **per annum** increases at the lower of RPI and 2.5% (post-2006).