# WORKED ANSWER XYZ SCHEME ACT => RET (NORMAL)

**SPENCER MOORE – CATEGORY A**

Date of birth: 14/09/1959

Date of joining scheme: 17/04/1992

Date of retirement: 14/09/2024

Age at date of retirement: 65yrs & 0mths

GMP due date: 14/09/2024

Normal pension date: 14/09/2024

Type of retirement: Normal retirement

Pre-1997 pensionable service [***70ths***]: 4yrs & 354dys [17/04/1992 - 05/04/1997]

Post-1997 pensionable service [***70ths***]: 27yrs & 162dys [06/04/1997 - 14/09/2024]

Pre-1988 GMP at DOR: N/A

Post-1988 GMP at DOR: £1,901.12 pa

Remaining ‘LS&DBA’: £1,073,100.00

Remaining ‘LSA’: £268,275.00

Commutation factor: 22.46 (based on age 65yrs & 0mths)

Final pensionable salary is the greater of the following:

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

2020 = £64,925.00

2021 = £67,420.00

2022 = £68,500.00

2023 = ***£69,999.00*** *(highest in last 5 years)*

2024 = £68,250.00

# Option 1 – Full Pension

**Full Pension**

Member (pre-1997): £69,999.00 x [4yrs + (354dys/365dys)] / 70 = £4,969.79 pa + +

Member (post-1997): £69,999.00 x [27yrs + (162dys/365dys)] / 70 = £27,443.44 pa

Member (total): = **£32,413.23 pa**

Spouse (payable on death): £32,413.23 x 50% = ***£16,206.62 pa***

**GMP Check:**

Pre-1997 pension v GMP: ***£4,969.79 v £1,901.12*** => **OK**

 *OR*

Total pension v

 post-1997 pension + GMP: ***£32,413.23 v*** (£27,443.44 + £1,901.12 = ***£29,344.56***) => **OK**

**OR**

# Option 2 – Cash Sum & Residual Pension

# Cash Sum

Member: £32,413.23 x 20 / [3 + (20 / 22.46)] = **£166,628.78**

***‘LS&DBA’ Check:*** £166,628.78 vs £1,073,100.00 = **OK**

***‘LSA’ Check:*** £166,628.78 vs £268,275.00 = **OK**

**Residual Pension**

Member: £32,413.23 – (£166,628.78 / 22.46 = £7,418.91) = **£24,994.32 pa**

Spouse (payable on death): £32,413.23 x 50% = ***£16,206.62 pa***

**GMP Check:**

£24,994.32 pa is greater than GMP of £1,901.12 pa (therefore no cash sum restriction required)

**Summary Answer**

*Option 1 – Pension Only*

A full pension of **£32,413.23** **per annum** of which **£30,512.11** **per annum** (*excess pension*) 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*) and **£1,901.12 per annum** (*post-1988 GMP*) will be increased each year on 1 April by the lower of the increase in the CPI and 3.0%.

A spouse’s pension of **£16,206.62 per annum**.

OR

*Option 2 – Cash Sum & Residual Pension*

A tax-free cash sum of **£166,628.78** plus a residual pension of **£24,994.32** **per annum** of which **£23,093.20** **per annum** (*excess pension*) 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*) and **£1,901.12 per annum** (*post-1988 GMP*) will be increased each year on 1 April by the lower of the increase in the CPI and 3.0%. The tax-free cash sum of **£166,628.78** 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 **£16,206.62 per annum**.