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

**PETULA PETERS – CATEGORY B**

Date of birth: 15/09/1959

Date of joining scheme: 06/11/1997

Date of retirement: 15/09/2024

Age at date of retirement: 65yrs & 0mths

Normal pension date: 15/09/2024

Type of retirement: Normal retirement

Pensionable service: 13yrs & 240dys (06/11/1997 – 03/07/2011)

Transfer in (payable from NPD): £2,641.22 pa

Remaining ‘LS&DBA’: £1,073,100.00

Remaining ‘LSA’: £268,275.00

Commutation factor: 21.00 (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 = £82,500.00

2021 = £85,325.00

2022 = £87,190.00

2023 = £88,925.00

2024 = ***£89,880.00*** *(highest in last 5 years)*

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

£64,444.00 x 1.487 (= 48.7%) = ***£95,828.23***

Greater of ***£89,880.00*** and ***£95,828.23*** = **£95,828.23**

# Option 1 – Full Pension

**Full Pension**

Member (*excluding TVin*): £95,828.23 x [13yrs + (240dys/365dys)] / 60 = ***£21,812.96 pa*** +

Member (*TVin*): = ***£2,641.22 pa***

Member (*Total*): = **£24,454.18 pa**

Spouse (payable on death): £24,454.18 x 50% = ***£12,227.09 pa***

**OR**

# Option 2 – Cash Sum & Residual Pension

# Cash Sum

Member: £24,454.18 x 20 / [3 + (20 / 21.00)] = **£123,744.04**

***‘LS&DBA’ Check:*** £123,744.04 vs £1,073,100.00 = **OK**

***‘LSA’ Check:*** £123,744.04 vs £268,275.00 = **OK**

**Residual Pension**

Member: £24,454.18 – (£123,744.04 / 21.00 = £5,892.57) = **£18,561.61 pa**

Spouse (payable on death): £24,454.18 x 50% = ***£12,227.09 pa***

**Summary Answer**

*Option 1 – Pension Only*

A full pension of **£24,454.18** **per annum** (including a transferred-in pension of **£2,641.22 per annum**). The 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*).

A spouse’s pension of **£12,227.09** **per annum**.

OR

*Option 2 – Cash Sum & Residual Pension*

A tax-free cash sum of **£123,744.04** plus a residual pension of **£18,561.61** **per annum**. The 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*). The tax-free cash sum of **£123,744.04** 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 **£12,227.09 per annum**.