

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	=	<u>£21,949.12 pa</u>

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	=	<u>£8,779.64 pa</u>

Final Salary Underpin

Pension (pre-2006 #1):	$£82,420.00 \times 7^0/_{12} \times 1/90$	=	£6,410.44 pa
Pension (post-2006 #2):	$£82,420.00 \times 12^0/_{12} \times 1/90$	=	£10,989.33 pa
Pension (post-2006 #3):	$£82,420.00 \times 6^4/_{12} \times 1/70$	=	£7,457.05 pa
Total Underpin pension:	$£6,410.44 + £10,989.33 + £7,457.05$	=	<u>£24,856.82 pa</u>

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):	$£6,410.44 + £18,446.38$	=	<u>£24,856.82 pa</u>

Spouse (pre-2006):	$£6,410.44 \times 40\%$	=	£2,564.18 pa
Spouse (post-2006):	$£18,446.38 \times 40\%$	=	£7,378.55 pa
Spouse (total):	$£2,564.18 + £7,378.55$	=	<u>£9,942.73 pa</u>

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member:	$£24,856.82 \times 20 / [3 + (20 / 18.50)]$	=	<u>£121,814.88</u>
'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):	$£24,856.82 - (£121,814.88 / 18.50 = £6,584.59)$	=	<u>£18,272.23 pa</u>
Member (post-2006):	$£18,446.38 - £6,584.59$	=	£11,861.79 pa
Member (pre-2006):		=	£6,410.44 pa

Spouse (pre-2006):	Unchanged	=	£2,564.18 pa
Spouse (post-2006):	Unchanged	=	£7,378.55 pa
Spouse (total):	Unchanged	=	<u>£9,942.73 pa</u>

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).