

WORKED ANSWER**RST SCHEME****ACTIVE => RETIREMENT (LATE)****JEREMY CHAPPELL**

Date of birth:	01/11/1954
Date joined scheme:	06/04/2001
Date of retirement:	02/09/2024
Age at date of retirement:	69 years & 10 months
Normal pension age:	65
Normal pension date:	01/11/2019
Type of retirement:	Late retirement
Spouse's date of birth:	07/06/1955 (spouse < 10 years younger)
Pre-2006 CARE pension @ 5 April 2024:	£3,182.36 pa
Post-2006 CARE pension @ 5 April 2024:	£12,347.79 pa
Pro-rata CPI:	2.1%
Pensionable earnings:	£63,030.00 [(£62,430+£62,900+£63,760) / 3]
Pensionable service (6 April 2024 to DOR):	0yrs & 4mths (06/04/2024 - 02/09/2024)
Contractual salary (full-time equivalent):	£64,250.00
Underpin (total pens. service to DOR):	23yrs & 4mths (06/04/2001 - 02/09/2024)
Underpin (pre-2006 pens. service #1 [3.Odys]):	3yrs & 0mths (06/04/2001 - 05/04/2004)
Underpin (pre-2006 pens. service #2 [4.Odys]):	2yrs & 0mths (06/04/2004 - 05/04/2006)
Underpin (post-2006 pens. service #3 [4.Odys]):	18yrs & 4mths (06/04/2006 - 02/09/2024)
Remaining 'LS&DBA':	£1,041,622.49
Remaining 'LSA':	£236,797.49
Commutation factor:	16.18 (age 69yrs & 10mths) [16.58 - (0.48 x 10/12 = 0.40) = 16.18]

CARE Pension

Pension @ 5/4/24 (pre-2006):	=	£3,182.36 pa
Pro-rata CPI increase: £3,182.36 x 2.1%	=	£66.83 pa
Member (pre-2006): £3,182.36 + £66.83	=	£3,249.19 pa

Pension @ 5/4/24 (post-2006):	=	£12,347.79 pa
Pro-rata CPI increase: £12,347.79 x 2.1%	=	£259.30 pa
YTD pension: £63,030.00 x ⁴ / ₁₂ x 1/75 x 4/5	=	£224.11 pa
Member (post-2006): £12,347.79 + £259.30 + £224.11	=	£12,831.20 pa
Total CARE pension: £3,249.19 + £12,831.20	=	<u>£16,080.39 pa</u>

Spouse (pre-2006): £3,249.19 x 40%	=	£1,299.68 pa
Spouse (post-2006): £12,831.20 x 40%	=	£5,132.48 pa
Spouse (total): £1,299.68 + £5,132.48	=	<u>£6,432.16 pa</u>

Final Salary Underpin

Pension (pre-2006 #1):	$£64,250.00 \times 3^0/_{12} \times 1/90 \times 3/5$	=	£1,285.00 pa
Pension (pre-2006 #2):	$£64,250.00 \times 2^0/_{12} \times 1/90 \times 4/5$	=	£1,142.22 pa
Pension (post-2006 #3):	$£64,250.00 \times 18^4/_{12} \times 1/90 \times 4/5$	=	£10,470.37 pa
Total Underpin pension:	$£1,285.00 + £1,142.22 + £10,470.37$	=	<u>£12,897.59 pa</u>

Total CARE pension of £16,080.39 pa exceeds total Underpin pension of £12,897.59 pa!

Option 1 – Full Pension (CARE)

Full Pension

Member (pre-2006):		=	£3,249.19 pa
Member (post-2006):		=	£12,831.20 pa
Member (total):		=	<u>£16,080.39 pa</u>

Spouse (pre-2006):		=	£1,299.68 pa
Spouse (post-2006):		=	£5,132.48 pa
Spouse (total):		=	<u>£6,432.16 pa</u>

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member:	$£16,080.39 \times 20 / [3 + (20 / 16.18)]$	=	<u>£75,920.84</u>
'LS&DBA' Check:	$£75,920.84 \text{ vs } £1,041,622.49$	=	OK
'LSA' Check:	$£75,920.84 \text{ vs } £236,797.49$	=	OK

Residual Pension

Member (total):	$£16,080.39 - (£75,920.84 / 16.18 = £4,692.26)$	=	<u>£11,388.13 pa</u>
Member (post-2006):	$£12,831.20 - £4,692.26$	=	£8,138.94 pa
Member (pre-2006):		=	£3,249.19 pa

Spouse (pre-2006):	Unchanged	=	£1,299.68 pa
Spouse (post-2006):	Unchanged	=	£5,132.48 pa
Spouse (total):	Unchanged	=	<u>£6,432.16 pa</u>

Summary Answer

Option 1 – Pension Only

A full pension of **£16,080.39 per annum**, of which **£3,249.19 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£12,831.20 per annum** increases at the lower of RPI and 2.5% (post-2006).

A spouse's pension of **£6,432.16 per annum**, of which **£1,299.68 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£5,132.68 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 **£75,920.84** plus a residual pension of **£11,388.13 per annum**, of which **£3,249.19 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£8,138.94 per annum** increases at the lower of RPI and 2.5% (post-2006). The tax-free cash sum of **£75,920.84** is within both the member's available 'LS&DBA' of **£1,041,622.49** and 'LSA' of **£236,797.49**.

A spouse's pension of **£6,432.16 per annum**, of which **£1,299.68 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£5,132.68 per annum** increases at the lower of RPI and 2.5% (post-2006).