

**WORKED ANSWER****XYZ SCHEME****PRS => RET (NORMAL)****JOSEPH BALL – CATEGORY B**

Date of birth:	13/09/1959
Date of joining scheme:	06/11/1997
Date of leaving scheme:	09/12/2019
Date of retirement:	13/09/2024
Age at date of retirement:	65yrs & 0mths
Normal pension age:	65yrs & 0mths
Type of retirement:	Preserved to normal retirement
Preserved pension at DOL:	£8,669.77
Pension revaluation:	21.7% (lower of 5.0% and RPI)
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	21.00 (age 65yrs & 0mths)

**Option 1 – Full Pension****Full Pension**

Member: £8,669.77 x 1.217 (= 21.7%) = **£10,551.11 pa**

Spouse (payable on death): £10,551.11 x 50% = **£5,275.56 pa**

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

Member: £10,551.11 x 20 / [3 + (20 / 21.00)] = **£53,391.16**

'LS&DBA' Check: £53,391.16 vs £1,073,100.00 = **OK**

'LSA' Check: £53,391.16 vs £268,275.00 = **OK**

**Residual Pension**

Member: £10,551.11 – (£53,391.16 / 21.00 = £2,542.44) = **£8,008.67 pa**

Spouse (payable on death): £10,551.11 x 50% = **£5,275.56 pa**

## **Summary Answer**

### *Option 1 – Pension Only*

A full pension of **£10,551.11 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 **£5,275.56 per annum**.

OR

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

A tax-free cash sum of **£53,391.16** plus a residual pension of **£8,008.87 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 **£53,391.16** 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 **£5,275.56 per annum**.