

WORKED ANSWER RST SCHEME PRS => RETIREMENT (NORMAL)

ANNA THOMSON

Date of birth:	15/09/1959
Date joined scheme:	06/04/2001
Date of retirement:	15/09/2024
Age at date of retirement:	65 years
Normal pension age:	65
Normal pension date:	15/09/2024
Type of retirement:	Normal retirement
Spouse's date of birth:	18/03/1957 (spouse < 10 years younger)
Pre-2006 CARE pension @ DOL:	£2,101.28 pa
Post-2006 CARE pension @ DOL:	£7,889.76 pa
Revaluation at lower of 5.0%/CPI:	17.1%
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	18.50 (age 65yrs)

Option 1 – Full Pension

Full Pension

Member (pre-2006):	£2,101.28 x 1.171 (= 17.1%)	=	£2,460.60 pa
Member (post-2006):	£7,889.76 x 1.171 (= 17.1%)	=	£9,238.91 pa
Member (total):	£2,460.60 + £9,238.91	=	<u>£11,699.51 pa</u>

Spouse (pre-2006):	£2,460.60 x 40%	=	£984.24 pa
Spouse (post-2006):	£9,238.91 x 40%	=	£3,695.56 pa
Spouse (total):	£984.24 + £3,695.56	=	<u>£4,679.80 pa</u>

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member:	£11,699.51 x 20 / [3 + (20 / 18.50)]	=	<u>£57,335.35</u>
'LS&DBA' Check:	£57,335.35 vs £1,073,100.00	=	OK
'LSA' Check:	£57,335.35 vs £268,275.00	=	OK

Residual Pension

Member (total):	$\pounds 11,699.51 - (\pounds 57,335.35 / 18.50 = \pounds 3,099.21)$	=	<u>$\pounds 8,600.30$ pa</u>
Member (post-2006):	$\pounds 9,238.91 - \pounds 3,099.21$	=	<u>$\pounds 6,139.70$ pa</u>
Member (pre-2006):		=	<u>$\pounds 2,460.60$ pa</u>

Spouse (pre-2006):	Unchanged	=	<u>$\pounds 984.24$ pa</u>
Spouse (post-2006):	Unchanged	=	<u>$\pounds 3,695.56$ pa</u>
Spouse (total):	Unchanged	=	<u>$\pounds 4,679.80$ pa</u>

Summary Answer

Option 1 – Pension Only

A full pension of **$\pounds 11,699.51$ per annum**, of which **$\pounds 2,460.60$ per annum** increases at the lower of RPI and 5.0% (pre-2006) and **$\pounds 9,238.91$ per annum** increases at the lower of RPI and 2.5% (post-2006).

A spouse's pension of **$\pounds 4,679.80$ per annum**, of which **$\pounds 984.24$ per annum** increases at the lower of RPI and 5.0% (pre-2006) and **$\pounds 3,695.56$ 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 **$\pounds 57,335.35$** plus a residual pension of **$\pounds 8,600.30$ per annum**, of which **$\pounds 2,460.60$ per annum** increases at the lower of RPI and 5.0% (pre-2006) and **$\pounds 6,139.70$ per annum** increases at the lower of RPI and 2.5% (post-2006). The tax-free cash sum of **$\pounds 57,335.35$** is within both the member's available 'LS&DBA' of **$\pounds 1,073,100.00$** and 'LSA' of **$\pounds 268,275.00$** .

A spouse's pension of **$\pounds 4,679.80$ per annum**, of which **$\pounds 984.24$ per annum** increases at the lower of RPI and 5.0% (pre-2006) and **$\pounds 3,695.56$ per annum** increases at the lower of RPI and 2.5% (post-2006).