

**WORKED ANSWER****XYZ SCHEME****PRS => RET (NORMAL)****PATRICK RAFFERTY – CATEGORY A**

Date of birth:	12/09/1960
Date of joining scheme:	10/03/1991
Date of leaving scheme:	06/07/2011
Date of retirement:	12/09/2025
Age at date of retirement:	65yrs & 0mths
GMP due date:	12/09/2025
Normal pension date:	12/09/2025
Type of retirement:	Preserved to normal retirement
Preserved pension at DOL:	£7,046.71 pa
Pre-1988 GMP at DOL:	N/A
Post-1988 GMP at DOL:	£3,180.84 pa
Excess at DOL:	£3,865.87 pa (£7,046.71 – £3,180.84)
Excess Pension revaluation (DOL to NPD):	52.7% (lower 5.0% and RPI)
GMP revaluation (DOL to GMP due date):	1.665 (06/04/12 - 05/04/25 = 13 tax years @ 4.00%)
Remaining 'LS&DBA':	£1,048,100.00
Remaining 'LSA':	£243,275.00
Commutation factor:	22.46 (based on age 65yrs & 0mths)

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

Revalued total GMP (DOL to GMP due date):	£3,180.84 / 52 = £61.17 pw £61.17 x 1.665 = £101.85 pw £101.85 x 52	=	<b>£5,296.20 pa</b>
Revalued post-1988 GMP (DOL to GMP due date):	£3,180.84 / 52 = £61.17 pw £61.17 x 1.665 = £101.85 pw £101.85 x 52	=	<b>£5,296.20 pa</b> +
Revalued pre-1988 GMP (DOL to GMP due date):	£5,296.20 - £5,296.20	=	<b>£0.00 pa</b> +
Revalued Excess (DOL to NPD):	£3,865.87 x 1.527 (= 52.7%)	=	<b>£5,903.18 pa</b>
Member (total):		=	<b><u>£11,199.38 pa</u></b>

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Spouse (payable on death):	£11,199.38 x 50%	=	<b><u>£5,599.69 pa</u></b>
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**OR**

## Option 2 – Cash Sum & Residual Pension

### Cash Sum

Member: £11,199.38 x 20 / [3 + (20 / 22.46)] = **£57,573.37**

'LS&DBA' Check: £57,573.37 vs £1,048,100.00 = **OK**

'LSA' Check: £57,573.37 vs £243,275.00 = **OK**

### Residual Pension

Member: £11,199.38 – (£57,573.37 / 22.46 = £2,563.37) = **£8,636.01 pa**

### 'GMP' Check:

£8,636.01 pa is greater than GMP of £5,296.20 pa (therefore no cash sum restriction required)

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Spouse (payable on death): Unchanged = **£5,599.69 pa**

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### Summary Answer

#### *Option 1 – Pension Only*

A full pension of **£11,199.38 per annum**, of which **£5,903.18 per annum** (*excess 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*) and **£5,296.20 per annum** (*post-1988 GMP*) will be increased each year on 1 April by the lower of the increase in the CPI and 3.0%.

A spouse's pension of **£5,599.69 per annum**.

OR

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

A tax-free cash sum of **£57,573.37** plus a residual pension of **£8,636.01 per annum**, of which **£3,339.81 per annum** (*excess 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*) and **£5,296.20 per annum** (*post-1988 GMP*) will be increased each year on 1 April by the lower of the increase in the CPI and 3.0%. The tax-free cash sum of **£57,573.37** is within both the member's available 'LS&DBA' of **£1,048,100.00** and 'LSA' of **£243,275.00**.