

WORKED ANSWER XYZ SCHEME ACT => RET (NORMAL)

JEAN TRICOLE – CATEGORY A

Date of birth:	12/09/1960
Date of joining scheme:	27/09/2007
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:	Normal retirement
Pre-1997 pensionable service [70ths]:	N/A
Post-1997 pensionable service [70ths]:	17yrs & 351dys [27/09/2007 - 12/09/2025]
Pre-1988 GMP at DOR:	N/A
Post-1988 GMP at DOR:	N/A
TVin pension (payable at NPD):	£2,224.88 pa
TVin post-1988 GMP (payable at NPD):	£1,016.08 pa
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	22.46 (based on age 65yrs & 0mths)

Final pensionable salary is the greater of the following:

- Final pensionable salary calculated at NPD or earlier date of retirement:

2021 =	£53,675.00
2022 =	£55,480.00 (<i>highest in last 5 years</i>)
2023 =	£54,950.00
2024 =	£54,950.00
2025 =	£54,950.00

Option 1 – Full Pension

Full Pension

Member (pre-1997):	=	N/A
Member (post-1997):	$£55,480.00 \times [17\text{yrs} + (351\text{dys}/365\text{dys})] / 70$	= £14,235.89 pa
		+
Member (pre-1997 TVin) (Payable from NPD):		= £2,224.88 pa
Member (total):		= <u>£16,460.77 pa</u>

'GMP' Check (only relevant for TVin elements):

Pre-1997 TVin v GMP: **£2,224.88 v £1,016.08 => OK**

Spouse (payable on death): $£16,460.77 \times 50\%$ = **£8,230.39 pa**

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member: £16,460.77 x 20 / [3 + (20 / 22.46)] = **£84,620.94**

'LS&DBA' Check: £84,620.94 vs £1,073,100.00 = **OK**

'LSA' Check: £84,620.94 vs £268,275.00 = **OK**

Residual Pension

Member: £16,460.77 – (£84,620.94 / 22.46 = £3,767.63) = **£12,693.14 pa**

'GMP' Check:

£12,693.14 pa is greater than GMP of £1,016.08 pa (therefore no cash sum restriction required)

Spouse (payable on death): Unchanged = **£8,230.39 pa**

Summary Answer

Option 1 – Pension Only

A full pension of **£16,460.77 per annum**, of which **£15,444.69 per annum** (*excess pension [which includes the excess transferred-in 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 **£1,016.08 per annum** (*post-1988 GMP [which represents the transferred-in benefit only]*) 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 **£8,230.39 per annum**.

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£84,620.94** plus a residual pension of **£12,693.14 per annum**, of which **£11,677.06 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 **£1,016.08 per annum** (*post-1988 GMP [which represents the transferred-in benefit only]*) 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 **£84,620.94** 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 **£8,230.39 per annum**.