

WORKED ANSWER XYZ SCHEME ACT => RET (ILL HEALTH)

JOAN GRUNDY – CATEGORY A

Date of birth:	11/02/1967
Date of joining scheme:	27/05/2012
Date of retirement:	10/09/2025
Age at date of retirement:	58yrs & 6mths
GMP due date:	11/02/2027
Normal pension date:	11/02/2032
Type of retirement:	Ill health early retirement
Pre-1997 pens. service [70ths]:	N/A
Post-1997 pens. service [70ths] #3.0days:	13yrs & 107dys [27/05/2012 - 10/09/2025]
Pre-1988 GMP at DOR:	N/A
Post-1988 GMP at DOR:	N/A
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	27.14 (based on age 58yrs & 6mths) [27.50 – (0.72 x 6/12 = 0.36) = 27.14]
Early retirement factor:	N/A (ill health early retirement)

Final pensionable salary is the greater of the following:

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

2021	=	£44,780.00
2022	=	£46,005.00
2023	=	£46,800.00
2024	=	£47,340.00 (highest in last 5 years)
2025	=	£45,000.00

Option 1 – Full Pension

Full Pension

Member (pre-1997):		=	N/A
Member (post-1997):	£47,340.00 x [13yrs + (107dys/365dys)]		
		/ 70 x 3/5	= £5,393.98 pa
Member (total):		=	<u>£5,393.98 pa</u>

'GMP' Check:

N/A

Spouse (payable on death):	£5,393.98 x 50%	=	<u>£2,696.99 pa</u>
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OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member: £5,393.98 x 20 / [3 + (20 / 27.14)] = **£28,868.59**

'LS&DBA' Check: £28,868.59 vs £1,073,100.00 = **OK**

'LSA' Check: £28,868.59 vs £268,275.00 = **OK**

Residual Pension

Member: £5,393.98 – (£28,868.59 / 27.14 = £1,063.69) = **£4,330.29 pa**

'GMP' Check:

N/A

Spouse (payable on death): Unchanged = **£2,696.99 pa**

Summary Answer

Option 1 – Pension Only

A full pension of **£5,393.98 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 **£2,696.99 per annum**.

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£28,868.59** plus a residual pension of **£4,330.29 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 **£28,868.59** 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 **£2,696.99 per annum**.