

## XYZ Letter – Key Points – Joan Grundy (DOR: 10 September 2025)

### 1a. Full pension – (Option 1)

- Full pension of **£5,393.98 per annum** (*all excess pension*)  
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- The pension of **£5,393.98** will be increased each year on 1 April by the lower of the increase in the Retail Prices Index and 5.0% (*pro-rated for the first year*)

OR

### 1b. Tax-free cash sum & residual pension – (Option 2)

- Tax-free cash sum of **£28,868.59** – [within both member's available 'LS&DBA' of **£1,073,100.00** and 'LSA' of **£268,275.00**]  
PLUS  
Residual pension of **£4,330.29 per annum** (*all excess pension*)  
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- The pension of **£4,330.29 per annum** will be increased each year on 1 April by the lower of the increase in the Retail Prices Index and 5.0% (*pro-rated for the first year*)

## 2. Payment of pension

- The pension will be paid by monthly instalments in advance
- The first payment of pension will be made on **1 October 2025**
- The pension will be paid for life and will be subject to PAYE

## 3. Death in retirement

- If the member dies before 60 monthly instalments of pension have been paid, the balance of the 60 months (based on the rate of pension payable at the member's date of death) will be paid as a lump sum death benefit
- For both options, a spouse's pension will be payable on the death of the member of **£2,696.99 per annum** – (*these figures are before any annual increases are applied between the member's date of retirement and the member's date of death*)
- The spouse's pension will be paid for life and will be subject to PAYE

## 4. General information

- Mention that the member's pension is being paid early (without reduction) due to ill health
- Mention any special circumstances (i.e. part-time service)

## 5. Details required

- Request a copy of the member's birth certificate
- Request the member's completed 'Option choice' form
- Request the member's completed 'Bank details' form

**NOTE –**

*Letters should be written in full and should include the information contained in each of the bullet points.*

*Failure to write a letter in full will result in marks being lost.*

*Failure to mention the information contained in each of the bullet points will result in marks being lost.*