

WORKED ANSWER**XYZ SCHEME****ACT => RET (NORMAL)****GABRIEL HEMPEL – CATEGORY B**

Date of birth:	12/09/1960
Date of joining scheme:	06/11/1997
Date of retirement:	12/09/2025
Age at date of retirement:	65yrs & 0mths
Normal pension date:	12/09/2025
Type of retirement:	Normal retirement
Pensionable service:	13yrs & 240dys (06/11/1997 – 03/07/2011)
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	21.00 (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	=	£75,600.00
2022	=	£77,455.00
2023	=	£79,230.00
2024	=	£81,325.00
2025	=	£82,665.00 (<i>highest in last 5 years</i>)

- Final pensionable salary at 3 July 2011 (indexed by the lower of 5.0% or RPI annual increases from 4 July 2011 to NPD, or earlier date of retirement):

£54,259.33 x 1.546 (= 54.6%)	=	£83,884.92
Greater of £82,665.00 and £83,884.92	=	<u>£83,884.92</u>

Option 1 – Full Pension**Full Pension**

Member: £83,884.92 x [13yrs + (240dys/365dys)] / 60 = **£19,094.35 p**

Spouse (payable on death): £19,094.35 x 50% = **£9,547.18 pa**

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member: £19,094.35 x 20 / [3 + (20 / 21.00)] = **£96,622.01**

'LS&DBA' Check: £96,622.01 vs £1,073,100.00 = **OK**

'LSA' Check: £96,622.01 vs £268,275.00 = **OK**

Residual Pension

Member: £19,094.35 – (£96,622.01 / 21.00 = £4,601.05) = **£14,493.30 pa**

Spouse (payable on death): Unchanged = **£9,547.18 pa**

Summary Answer

Option 1 – Pension Only

A full pension of **£19,094.35 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 **£9,547.18 per annum**.

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£96,622.01** plus a residual pension of **£14,493.30 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 **£96,622.01** 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 **£9,547.18 per annum**.