

WORKED ANSWER XYZ SCHEME ACT => RET (LATE)

ROBYN VEENSTRA – CATEGORY B

Date of birth:	12/05/1956
Date of joining scheme:	06/11/1997
Date of retirement:	11/09/2025
Age at date of retirement:	69yrs & 3mths
Normal pension date:	12/05/2021
Type of retirement:	Late retirement
Pensionable service:	13yrs & 240dys (06/11/1997 – 03/07/2011)
Remaining 'LS&DBA':	£998,100.00
Remaining 'LSA':	£193,275.00
Commutation factor:	17.94 (based on age 69yrs & 3mths) [18.12 – (0.72 x 3/12 = 0.18) = 17.94]
Late retirement factor:	1.141 (based on age 69yrs & 3mths) [1.131 + (0.039 x 3/12 = 0.010) = 1.141]

Final pensionable salary is the greater of the following:

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

2017	=	£61,340.00	
2018	=	£63,670.00	
2019	=	£65,800.00	
2020	=	£67,333.00	
2021	=	£69,820.00	<i>(highest in last 5 years prior to NPD)</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):

£50,084.00 x 1.345 (= 34.5%)	=	£67,362.98
Greater of £69,820.00 and £67,362.98	=	<u>£69,820.00</u>

Option 1 – Full Pension

Full Pension

Member (total – *pre-LRF*): £69,820.00 x [13yrs + (240dys/365dys)] / 60 = **£15,892.82 pa**

Member (total – *post-LRF*): £15,892.82 x 1.141 = **£18,133.71 pa**

Spouse (payable on death): £18,133.71 x 50% = **£9,066.86 pa**

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member: $\text{£}18,133.71 \times 20 / [3 + (20 / 17.94)] = \text{£}88,138.38$

'LS&DBA' Check: $\text{£}88,138.38$ vs $\text{£}998,100.00 = \text{OK}$

'LSA' Check: $\text{£}88,138.38$ vs $\text{£}193,275.00 = \text{OK}$

Residual Pension

Member: $\text{£}18,133.71 - (\text{£}88,138.38 / 17.94 = \text{£}4,912.95) = \text{£}13,220.76 \text{ pa}$

Spouse (payable on death): Unchanged = $\text{£}9,066.86 \text{ pa}$

Summary Answer

Option 1 – Pension Only

A full pension of **£18,133.71 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 **£9,066.86 per annum**.

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£88,138.38** plus a residual pension of **£9,066.86 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 **£88,138.38** is within both the member's available 'LS&DBA' of **£998,100.00** and 'LSA' of **£193,275.00**.

A spouse's pension of **£9,066.86 per annum**.