

**WORKED ANSWER****XYZ SCHEME****ACT => RET (EARLY)****BEAU GOFFIN – CATEGORY B**

Date of birth:	13/05/1966
Date of joining scheme:	06/11/1997
Date of retirement:	10/09/2025
Age at date of retirement:	59yrs & 3mths
Normal pension date:	13/05/2031
Type of retirement:	Early retirement
Pensionable service #1 (4.0 days):	12yrs & 268dys (06/11/1997 – 31/07/2010)
Pensionable service #2 (3.0 days):	0yrs & 337dys (01/08/2010 – 03/07/2011)
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	25.14 (based on age 59yrs & 3mths) [25.32 – (0.72 x 3/12 = 0.18) = 25.14]
Early retirement factor:	0.955 (based on age 59yrs & 3mths) [0.940 + (0.060 x 3/12 = 0.015) = 0.955]

Final pensionable salary is the greater of the following:

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

2021	=	£65,333.00
2022	=	£66,815.00
2023	=	£67,900.00
2024	=	<b>£69,005.00</b> (highest in last 5 years)
2025	=	£68,250.00

- 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):

£49,667.00 x 1.546 (= 54.6%)	=	<b>£76,785.18</b>
Greater of <b>£69,005.00</b> and <b>£76,785.18</b>	=	<b><u>£76,785.18</u></b>

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**Option 1 – Full Pension****Full Pension**

Member #1 (pre-ERF):	£76,785.18 x [12yrs + (268dys/365dys)] / 60 x 4/5 =	<b>£13,037.35 pa</b>
		+
Member #2 (pre-ERF):	£76,785.18 x [0yrs + (337dys/365dys)] / 60 x 3/5 =	<b>£708.95 pa</b>
Member (total – pre-ERF):		= <b><u>£13,746.30 pa</u></b>
Member (total – post-ERF):	£13,746.30 x 0.955	= <b><u>£13,127.72 pa</u></b>

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Spouse (payable on death):	£13,127.72 x 50%	= <b><u>£6,563.86 pa</u></b>
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OR

**Option 2 – Cash Sum & Residual Pension**

**Cash Sum**

Member: £13,127.72 x 20 / [3 + (20 / 25.14)] = **£69,174.36**

'LS&DBA' Check: £69,174.36 vs £1,073,100.00 = **OK**

'LSA' Check: £69,174.36 vs £268,275.00 = **OK**

**Residual Pension**

Member: £13,127.72 – (£69,174.36 / 25.14 = £2,751.57) = **£10,376.15 pa**

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Spouse (payable on death): Unchanged = **£6,563.86 pa**

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**Summary Answer**

*Option 1 – Pension Only*

A full pension of **£13,127.72 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 **£6,563.86 per annum**.

OR

*Option 2 – Cash Sum & Residual Pension*

A tax-free cash sum of **£69,174.36** plus a residual pension of **£10,376.15 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 **£69,174.36** 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 **£6,563.86 per annum**.