

WORKED ANSWER RST SCHEME ACTIVE => RETIREMENT (EARLY)

JENNIFER BUNTING

Date of birth:	19/09/1966
Date joined scheme:	06/04/2009
Date of retirement:	08/09/2025
Age at date of retirement:	58 years & 11 months
Normal pension age:	65
Normal pension date:	19/09/2031
Type of retirement:	Early retirement
Spouse's date of birth:	10/03/1964 (spouse < 10 years younger)
Pre-2006 CARE pension @ 5 April 2025:	N/A
Post-2006 CARE pension @ 5 April 2025:	£8,788.22 pa
Pro-rata CPI:	1.9%
Pensionable earnings:	£64,347.33 [(£62,250+£64,667+£66,125) / 3]
Pensionable service (6 April 2025 to DOR):	0yrs & 5mths (06/04/2025 - 08/09/2025)
Contractual salary:	£69,625.00
Underpin (total pens. service to DOR):	16yrs & 5mths (06/04/2009 - 08/09/2025)
Underpin (pre-2006 pens. service):	N/A
Underpin (post-2006 pens. service to DOR):	16yrs & 5mths (06/04/2009 - 08/09/2025)
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	21.42 (age 58yrs & 11mths) [21.86 - (0.48 x 11/12 = 0.44) = 21.42]
Early retirement factor:	0.757 (age 58yrs & 11mths) [0.720 + (0.040 x 11/12 = 0.037) = 0.757]

CARE Pension

Pension @ 5/4/25 (pre-2006)	=	N/A
Pension @ 5/4/25 (post-2006):	=	£8,788.22 pa
Pro-rata CPI increase:	£8,788.22 x 1.9%	= £166.98 pa
YTD pension:	£64,347.33 x ⁵ / ₁₂ x 1/75	= £357.49 pa
Member (post-2006):	£8,788.22 + £166.98 + £357.49	= £9,312.69 pa
Total CARE pension:	£9,312.69 x 0.757	= <u>£7,049.71 pa</u>

Final Salary Underpin

Pension (pre-2006):	=	N/A
Pension (post-2006):	£69,625.00 x ¹⁶ / ₁₂ x 1/90	= £12,700.12 pa
Total Underpin pension:	£12,700.12 x 0.757	= <u>£9,613.99 pa</u>

Total Underpin pension of £9,613.99 pa exceeds total CARE pension of £7,049.71 pa!

Option 1 – Full Pension (Underpin)

Full Pension

Member (pre-2006):		=	N/A
Member (post-2006):		=	£9,613.99 pa
Member (total):		=	<u>£9,613.99 pa</u>

Spouse (pre-2006):		=	N/A
Spouse (post-2006):	£9,613.99 x 40%	=	£3,845.60 pa
Spouse (total):		=	<u>£3,845.60 pa</u>

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member:	$£9,613.99 \times 20 / [3 + (20 / 21.42)]$	=	<u>£48,880.05</u>
'LS&DBA' Check:	£48,880.05 vs £1,073,100.00	=	OK
'LSA' Check:	£48,880.05 vs £268,275.00	=	OK

Residual Pension

Member (total):	$£9,613.99 - (£48,880.05 / 21.42 = £2,281.98)$	=	<u>£7,332.01 pa</u>
Member (post-2006):	£9,613.99 - £2,281.98	=	£7,332.01 pa
Member (pre-2006):		=	N/A

Spouse (pre-2006):	Unchanged	=	N/A
Spouse (post-2006):	Unchanged	=	£3,845.60 pa
Spouse (total):	Unchanged	=	<u>£3,845.60 pa</u>

Summary Answer

Option 1 – Pension Only

A full pension of **£9,613.99 per annum**, all of which increases at the lower of RPI and 2.5% (post-2006).

A spouse's pension of **£3,845.60 per annum**, all of which increases at the lower of RPI and 2.5% (post-2006).

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£48,880.05** plus a residual pension of **£7,332.01 per annum**, all of which increases at the lower of RPI and 2.5% (post-2006). The tax-free cash sum of **£48,880.05** 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 **£3,845.60 per annum**, all of which increases at the lower of RPI and 2.5% (post-2006).