WORKED ANSWER   **RST SCHEME**   **ACTIVE => RETIREMENT (NORMAL)**

WILLIAM ROCK

Date of birth:	09/09/1960
Date joined scheme:	06/04/2002
Date of retirement:	09/09/2025
Age at date of retirement:	65 years & 0 months
Normal pension age:	65
Normal pension date:	09/09/2025
Type of retirement:	Normal retirement
Spouse's date of birth:	18/04/1973 (*spouse > 10 years younger*
	– potential reduction!)
Pre-2006 CARE pension @ 5 April 2025:	£3,180.35 pa
Post-2006 CARE pension @ 5 April 2025:	£16,334.82 pa
Pro-rata CPI:	1.9%
Pensionable earnings:	£70,650.00 [(£69,300+£70,750+£71,900) / 3]
Pensionable service (6 April 2025 to DOR):	0yrs & 5mths (06/04/2025 – 09/09/2025)
Contractual salary:	£73,900.00
Underpin (total service to DOR):	23yrs & 5mths (06/04/2002 - 09/09/2025)
Underpin (pre-2006 pens. service):	4yrs & 0mths (06/04/2002 - 05/04/2006)
Underpin (post-2006 pens. service):	19yrs & 5mths (06/04/2006 - 09/09/2025)
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	18.50 (age 65yrs)

CARE Pension

Pension @ 5/4/25 (pre-2006):		=	*£3,180.35 pa*
Pro-rata CPI increase:	£3,180.35 x 1.9%	=	*£60.43 pa*
Member (pre-2006):	£3,180.35 + £60.43	=	**£3,240.78 pa**
Pension @ 5/4/25 (post-2006):		=	*£16,334.82 pa*
Pro-rata CPI increase:	£16,334.82 x 1.9%	=	*£310.36 pa*
YTD pension:	£70,650.00 x $^5/_{12}$ x 1/75	=	*£392.50 pa*
Member (post-2006):	£16,334.82 + £310.36 + £392.50	=	**£17,037.68 pa**
Total CARE pension:	£3,240.78 + £17,037.68	=	**£20,278.46 pa**

Final Salary Underpin

Pension (pre-2006):	£73,900.00 x $4^0/_{12}$ x 1/90	=	*£3,284.44 pa*
Pension (post-2006):	£73,900.00 x $19^5/_{12}$ x 1/90	=	*£15,943.24 pa*
Total Underpin pension:	£3,284.44 + £15,943.24	=	**£19,227.68 pa**

Total CARE pension of £20,278.46 pa exceeds total Underpin pension of £19,227.68 pa!

Option 1 – Full Pension (CARE)

Full Pension

Member (pre-2006):		=	**£3,240.78 pa**
Member (post-2006):		=	**£17,037.68 pa**
Member (total):		=	**£20,278.46 pa**

Spouse (pre-2006):	£3,240.78 x 40%	=	*£1,296.31 pa*
Spouse (post-2006):	£17,037.68 x 40%	=	*£6,815.07 pa*
Spouse (total):	£1,296.31 + £6,815.07	=	*£8,111.38 pa*

        OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member:	£20,278.46 x 20 / [3 + (20 / 18.50)]	=	**£99,377.88**
'LS&DBA' Check:	£99,377.88 vs £1,073,100.00	=	**OK**
'LSA' Check:	£99,377.88 vs £268,275.00	=	**OK**

Residual Pension

Member (total):	£20,278.46 – (£99,377.88 / 18.50 = £5,371.78)	=	**£14,906.68 pa**
Member (post-2006):	£17,037.68 – £5,371.78	=	**£11,665.90 pa**
Member (pre-2006):		=	**£3,240.78 pa**

Spouse (pre-2006):	Unchanged	=	*£1,296.31 pa*
Spouse (post-2006):	Unchanged	=	*£6,815.07 pa*
Spouse (total):	Unchanged	=	*£8,111.38 pa*

<u>Summary Answer</u>

Option 1 – Pension Only

A full pension of **£20,278.46 per annum**, of which **£3,240.78 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£17,037.68 per annum** increases at the lower of RPI and 2.5% (post-2006).

A spouse's pension of **£8,111.38 per annum**, of which **£1,296.31 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£6,815.07 per annum** increases at the lower of RPI and 2.5% (post-2006).

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£99,377.88** plus a residual pension of **£14,906.68 per annum**, of which **£3,240.78 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£11,665.90 per annum** increases at the lower of RPI and 2.5% (post-2006). The tax-free cash sum of **£99,377.88** 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 **£8,111.38 per annum**, of which **£1,296.31 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£6,815.07 per annum** increases at the lower of RPI and 2.5% (post-2006).