

WORKED ANSWER**RST SCHEME****PRS => RETIREMENT (NORMAL)****KARA DOETS**

Date of birth:	10/09/1960
Date joined scheme:	06/04/2007
Date of retirement:	10/09/2025
Age at date of retirement:	65 years
Normal pension age:	65
Normal pension date:	10/09/2025
Type of retirement:	Normal retirement
Spouse's date of birth:	12/01/1956 (spouse < 10 years younger)
Pre-2006 CARE pension @ DOL:	N/A
Post-2006 CARE pension @ DOL:	£5,602.94 pa
Revaluation at lower of 5.0% or CPI:	23.2%
S/Life AVC pension (payable immediately):	£1,447.80 pa
J/Life AVC pension (payable immediately):	£1,158.34 pa
Current value of AVC fund:	£35,326.66
Remaining 'LS&DBA':	£1,028,100.00
Remaining 'LSA':	£223,275.00
Commutation factor:	18.50 (age 65yrs)

Option 1a – Full Pension (including SINGLE life AVCs)**Full Pension**

Member (pre-2006):		=	N/A
Member (post-2006):	£5,602.94 x 1.232 (= 23.2%)	=	£6,902.82 pa
Member AVCs (post-2006):		=	£1,447.80 pa
Member (total):	£6,902.82 + £1,447.80	=	<u>£8,350.62 pa</u>

Spouse (pre-2006):		=	N/A
Spouse (post-2006):	£6,902.82 x 40%	=	£2,761.13 pa
Spouse AVCs (post-2006):		=	N/A
Spouse (total):		=	<u>£2,761.13 pa</u>

OR

Option 1b – Full Pension (including JOINT life AVCs)

Full Pension

Member (pre-2006):		=	N/A
Member (post-2006):	£5,602.94 x 1.232 (= 23.2%)	=	£6,902.82 pa
Member AVCs (post-2006):		=	£1,158.34 pa
Member (total):	£6,902.82 + £1,158.34	=	<u>£8,061.16 pa</u>

Spouse (pre-2006):		=	N/A
Spouse (post-2006):	£6,902.82 x 40%	=	£2,761.13 pa
Spouse AVCs (post-2006):	£1,158.34 x 40%	=	£463.34 pa
Spouse (total):	£2,761.13 + £463.34	=	<u>£3,224.47 pa</u>

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member:	£6,902.82 x 20 / [3 + (20 / 18.50)]	=	£33,828.39
	£35,326.66 x 25%	=	£8,831.67
		=	<u>£42,660.06</u>

'LS&DBA' Check: £42,660.06 vs £1,028,100.00 = **OK**

'LSA' Check: £42,660.06 vs £223,275.00 = **OK**

Residual Pension

Member (total):	£6,902.82 – ([£42,660.06 - £35,326.66] / 18.50 = £396.40)	=	<u>£6,506.42 pa</u>
Member (post-2006):	£6,902.82 – £396.40	=	£6,506.42 pa
Member (pre-2006):		=	N/A

Spouse (pre-2006):	Unchanged	=	N/A
Spouse (post-2006):	Unchanged	=	£2,761.13 pa
Spouse (total):	Unchanged	=	<u>£2,761.13 pa</u>

Summary Answer

Option 1A – Pension Only (AVCs: SINGLE life)

A full pension of **£8,350.62 per annum**, of which **£6,902.82 per annum** increases at the lower of RPI and 2.5% (post-2006) and **£1,447.80 per annum** increases at the lower of RPI and 2.5% (SINGLE life AVCs – post-2006).

A spouse's pension of **£2,761.13 per annum**, all of which increases at the lower of RPI and 2.5% (post-2006).

OR

Option 1B – Pension Only (AVCs: JOINT life)

A full pension of **£8,061.16 per annum**, of which **£6,902.82 per annum** increases at the lower of RPI and 2.5% (post-2006) and **£1,158.34 per annum** increases at the lower of RPI and 2.5% (JOINT life AVCs – post-2006).

A spouse's pension of **£3,224.47 per annum**, of which **£2,761.13 per annum** increases at the lower of RPI and 2.5% (post-2006) and **£463.34 per annum** increases at the lower of RPI and 2.5% (JOINT life AVCs – post-2006).

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£42,660.06** plus a residual pension of **£6,506.42 per annum**, all of which increases at the lower of RPI and 2.5% (post-2006). The tax-free cash sum of **£42,660.06** is within both the member's available 'LS&DBA' of **£1,028,100.00** and 'LSA' of **£223,275.00**.

A spouse's pension of **£2,761.13 per annum**, all of which increases at the lower of RPI and 2.5% (post-2006).

Note

If Kara Doets wishes to take her AVCs flexibly outside of the RST Pension Scheme, she can transfer them to a suitable alternative arrangement that is willing and able to accept them. In this scenario, the Trustees must offer to book a pensions guidance appointment with Pensions Wise on behalf of Kara Doets. The Trustees must explain to Kara Doets that the transfer of her AVCs cannot proceed until she has received appropriate pensions guidance from Pensions Wise, or that she can only opt out of the Pensions Wise guidance by providing the Trustees with an opt-out notification.