# WORKED ANSWER XYZ SCHEME ACT => RET (LATE)

**ROBIN HUNT – CATEGORY B**

Date of birth: 23/04/1957

Date of joining scheme: 06/11/1997

Date of retirement: 14/09/2024

Age at date of retirement: 67yrs & 4mths

Normal pension date: 23/04/2022

Type of retirement: Late retirement

Pensionable service (5.0 days): 11yrs & 56dys (06/11/1997 – 31/12/2008)

Pensionable service (2.0 days): 2yrs & 184dys (01/01/2009 – 03/07/2011)

Remaining ‘LS&DBA’: £1,025,220.00

Remaining ‘LSA’: £220,395.00

Commutation factor: 19.32 (based on age 67yrs & 4mths)

 *[19.56 – (0.72 x 4/12 = 0.24) = 19.32]*

Late retirement factor: 1.072 (based on age 67yrs & 4mths)

*[1.061 + (0.034 x 4/12 = 0.011) = 1.072]*

Final pensionable salary is the greater of the following:

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

2018 = £57,750.00

2019 = £59,999.00

2020 = £61,400.00

2021 = £62,720.00

2022 = ***£64,000.00*** *(highest in last 5 years prior to NPD)*

* 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):

£43,210.00 x 1.322 (= 32.2%) = ***£57,123.62***

Greater of ***£64,000.00*** and ***£57,123.62*** = **£64,000.00**

# Option 1 – Full Pension

**Full Pension**

Member (split 1): £64,000.00 x [11yrs + (56dys/365dys)] / 60 = £11,896.99 pa

 + +

Member (split 2): £64,000.00 x [2yrs + (184dys/365dys)] / 60 x **2/5** = £1,068.42 pa

Member (total – *pre LRF*): = ***£12,965.41 pa***

Member (total – *post LRF*): £12,965.41 x 1.072 = **£13,898.92 pa**

Spouse (payable on death): £13,898.92 x 50% = ***£6,949.46 pa***

**OR**

# Option 2 – Cash Sum & Residual Pension

# Cash Sum

Member: £13,898.92 x 20 / [3 + (20 / 19.32)] = **£68,888.44**

***‘LS&DBA’ Check:*** £68,888.44 vs £1,025,220.00 = **OK**

***‘LSA’ Check:*** £68,888.44 vs £220,395.00 = **OK**

**Residual Pension**

Member: £13,898.92 – (£68,888.44 / 19.32 = £3,565.65) = **£10,333.27 pa**

Spouse (payable on death): £13,898.92 x 50% = ***£6,949.46 pa***

**Summary Answer**

*Option 1 – Pension Only*

A full pension of **£13,898.92** **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 **£6,949.46** **per annum**.

OR

*Option 2 – Cash Sum & Residual Pension*

A tax-free cash sum of **£68,888.44** plus a residual pension of **£10,333.27** **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 **£68,888.44** is within both the member’s available ‘LS&DBA’ of **£1,025,220.00** and ‘LSA’ of **£220,395.00**.

A spouse’s pension of **£6,949.46 per annum**.