# WORKED ANSWER RST SCHEME ACTIVE => RETIREMENT (LATE)

# JEREMY CHAPPELL

Date of birth: 01/11/1954

Date joined scheme: 06/04/2001

Date of retirement: 02/09/2024

Age at date of retirement: 69 years & 10 months

Normal pension age: 65

Normal pension date: 01/11/2019

Type of retirement: Late retirement

Spouse’s date of birth: 07/06/1955 (spouse < 10 years younger)

Pre-2006 CARE pension @ 5 April 2024: £3,182.36 pa

Post-2006 CARE pension @ 5 April 2024: £12,347.79 pa

Pro-rata CPI: 2.1%

Pensionable earnings: £63,030.00 [(£62,430+£62,900+£63,760) / 3] Pensionable service (6 April 2024 to DOR): 0yrs & 4mths (06/04/2024 - 02/09/2024)

Contractual salary (full-time equivalent): £64,250.00

Underpin (total pens. service to DOR): 23yrs & 4mths (06/04/2001 - 02/09/2024)

Underpin (pre-2006 pens. service #1 [***3.0dys***]): 3yrs & 0mths (06/04/2001 - 05/04/2004)

Underpin (pre-2006 pens. service #2 [***4.0dys***]): 2yrs & 0mths (06/04/2004 - 05/04/2006)

Underpin (post-2006 pens. service #3 [***4.0dys***]): 18yrs & 4mths (06/04/2006 - 02/09/2024)

Remaining ‘LS&DBA’: £1,041,622.49

Remaining ‘LSA’: £236,797.49

Commutation factor: 16.18 (age 69yrs & 10mths)

 *[16.58 – (0.48 x 10/12 = 0.40) = 16.18]*

# CARE Pension

Pension @ 5/4/24 (pre-2006): = ***£3,182.36 pa***

Pro-rata CPI increase: £3,182.36 x 2.1% = ***£66.83 pa***

Member (pre-2006): £3,182.36 + £66.83 = **£3,249.19 pa**

Pension @ 5/4/24 (post-2006): = ***£12,347.79 pa***

Pro-rata CPI increase: £12,347.79 x 2.1% = ***£259.30 pa***

YTD pension: £63,030.00 x 4/12 x 1/75 x **4/5** = ***£224.11 pa***

Member (post-2006): £12,347.79 + £259.30 + £224.11 = **£12,831.20 pa**

Total CARE pension: £3,249.19 + £12,831.20 = **£16,080.39 pa**

-----

Spouse (pre-2006): £3,249.19 x 40% = ***£1,299.68 pa***

Spouse (post-2006): £12,831.20 x 40% = ***£5,132.48 pa***

Spouse (total): £1,299.68 + £5,132.48 = ***£6,432.16 pa***

# Final Salary Underpin

Pension (pre-2006 #1): £64,250.00 x 30/12 x 1/90 x **3/5** = ***£1,285.00 pa***

Pension (pre-2006 #2): £64,250.00 x 20/12 x 1/90 x **4/5** = ***£1,142.22 pa***

Pension (post-2006 #3): £64,250.00 x 184/12 x 1/90 x **4/5** = ***£10,470.37 pa***

Total Underpin pension: £1,285.00 + £1,142.22 + £10,470.37 = **£12,897.59 pa**

# Total CARE pension of £16,080.39 pa exceeds total Underpin pension of £12,897.59 pa!

**Option 1 – Full Pension (CARE)**

**Full Pension**

Member (pre-2006): = **£3,249.19 pa**

Member (post-2006): = **£12,831.20 pa**

Member (total): = **£16,080.39 pa**

-----

Spouse (pre-2006): = ***£1,299.68 pa***

Spouse (post-2006): = ***£5,132.48 pa***

Spouse (total): = ***£6,432.16 pa***

 **OR**

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

**Cash Sum**

Member: £16,080.39 x 20 / [3 + (20 / 16.18)] = **£75,920.84**

***‘LS&DBA’ Check:*** £75,920.84 vs £1,041,622.49 = **OK**

***‘LSA’ Check:*** £75,920.84 vs £236,797.49 = **OK**

**Residual Pension**

Member (total): £16,080.39 – (£75,920.84 / 16.18 = £4,692.26) = **£11,388.13 pa**

Member (post-2006): £12,831.20 – £4,692.26 = **£8,138.94 pa**

Member (pre-2006): = **£3,249.19 pa**

-----

Spouse (pre-2006): Unchanged = ***£1,299.68 pa***

Spouse (post-2006): Unchanged = ***£5,132.48 pa***

Spouse (total): Unchanged = ***£6,432.16 pa***

# Summary Answer

*Option 1 – Pension Only*

A full pension of **£16,080.39 per annum**, of which **£3,249.19** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£12,831.20** **per annum** increases at the lower of RPI and 2.5% (post-2006).

A spouse’s pension of **£6,432.16** **per annum**, of which **£1,299.68** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£5,132.68** **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 **£75,920.84** plus a residual pension of **£11,388.13** **per annum**, of which **£3,249.19** **per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£8,138.94** **per annum** increases at the lower of RPI and 2.5% (post-2006). The tax-free cash sum of **£75,920.84** is within both the member’s available ‘LS&DBA’ of **£1,041,622.49** and ‘LSA’ of **£236,797.49**.

A spouse’s pension of **£6,432.16** **per annum**, of which **£1,299.68 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£5,132.68** **per annum** increases at the lower of RPI and 2.5% (post-2006).