

WORKED ANSWER**RST SCHEME****ACTIVE => RETIREMENT (ILL HEALTH)****LOLA WILLIAMS**

Date of birth:	18/04/1968
Date joined scheme:	06/04/2005
Date of retirement:	17/09/2026
Age at date of retirement:	58 years & 4 months
Normal pension age:	65
Normal pension date:	18/04/2033
Type of retirement:	Ill health retirement
Spouse's date of birth:	12/02/1964 (spouse < 10 years younger)
Pre-2006 CARE pension:	£1,420.98 pa (accrued to 05/04/2026)
Post-2006 CARE pension:	£17,444.60 pa (accrued to 05/04/2026)
Pro-rata CPI:	1.8%
Pensionable earnings:	£78,911.67 [(£76,925+£79,140+£80,670) / 3]
Pensionable service (6 April 2026 to NPD):	7yrs & 0mths (06/04/2026 - 18/04/2033)
Contractual salary:	£85,470.00
Underpin (total pens. service to NPD):	28yrs & 0mths (06/04/2005 - 18/04/2033)
Underpin (pre-2006 pens. service):	1yr & 0mths (06/04/2005 - 05/04/2006)
Underpin (post-2006 pens. service to NPD):	27yrs & 0mths (06/04/2006 - 18/04/2033)
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	21.70 (age 58yrs & 4mths) [21.86 - (0.48 x 4/12 = 0.16) = 21.70]
Early retirement factor:	N/A (<i>ill-health</i>)

CARE Pension

Pension accrued 05/04/2026 (pre-2006):	=	£1,420.98 pa
Pro-rata CPI increase: £1,420.98 x 1.8%	=	£25.58 pa
Member (pre-2006): £1,420.98 + £25.58	=	£1,446.56 pa
Pension accrued 05/04/2026 (post-2006):	=	£17,444.60 pa
Pro-rata CPI increase: £17,444.60 x 1.8%	=	£314.00 pa
YTD/prospective pension: £78,911.67 x $7^0/_{12}$ x 1/75	=	£7,365.09 pa
Member (post-2006): £17,444.60 + £314.00 + £7,365.09	=	£25,123.69 pa
Total CARE pension:	=	<u>£26,570.25 pa</u>

Final Salary Underpin

Member (pre-2006):	$£85,470.00 \times 1^0/_{12} \times 1/90$	=	<i>£949.67 pa</i>
Member (post-2006):	$£85,470.00 \times 27^0/_{12} \times 1/90$	=	<i>£25,641.00 pa</i>
Total Underpin pension:	$£949.67 + £25,641.00$	=	<u>£26,590.67 pa</u>

Total Underpin pension of £26,590.67 pa exceeds total CARE pension of £26,570.25 pa!

Option 1 – Full Pension (Underpin)

Full Pension

Member (pre-2006):		=	<i>£949.67 pa</i>
Member (post-2006):		=	<i>£25,641.00 pa</i>
Member (total):		=	<u>£26,590.67 pa</u>

Spouse (pre-2006):	$£949.67 \times 40\%$	=	<i>£379.87 pa</i>
Spouse (post-2006):	$£25,641.00 \times 40\%$	=	<i>£10,256.40 pa</i>
Spouse (total):	$£379.87 + £10,256.40$	=	<u>£10,636.27 pa</u>

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member:	$£26,590.67 \times 20 / [3 + (20 / 21.70)]$	=	<u>£135,609.29</u>
'LS&DBA' Check:	$£135,609.29$ vs $£1,073,100.00$	=	OK
'LSA' Check:	$£135,609.29$ vs $£268,275.00$	=	OK

Residual Pension

Member (total):	$£26,590.67 -$ $(£135,609.29 / 21.70 = £6,249.28)$	=	<u>£20,341.39 pa</u>
Member (post-2006):	$£25,641.00 - £6,249.28$	=	<i>£19,391.72 pa</i>
Member (pre-2006):		=	<i>£949.67 pa</i>

Spouse (pre-2006):	Unchanged	=	<i>£379.87 pa</i>
Spouse (post-2006):	Unchanged	=	<i>£10,256.40 pa</i>
Spouse (total):	Unchanged	=	<u>£10,636.27 pa</u>

Summary Answer

Option 1 – Pension Only

A full pension of **£26,590.67 per annum**, of which **£949.67 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£25,641.00 per annum** increases at the lower of RPI and 2.5% (post-2006).

A spouse's pension of **£10,636.27 per annum**, of which **£379.87 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£10,256.40 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 **£135,609.29** plus a residual pension of **£20,341.39 per annum**, of which **£949.67 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£19,391.72 per annum** increases at the lower of RPI and 2.5% (post-2006). The tax-free cash sum of **£135,609.29** 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 **£10,636.27 per annum**, of which **£379.87 per annum** increases at the lower of RPI and 5.0% (pre-2006) and **£10,256.40 per annum** increases at the lower of RPI and 2.5% (post-2006).