

WORKED ANSWER**RST SCHEME****ACTIVE => RETIREMENT (EARLY)****HANS GRAAF**

Date of birth:	19/03/1963
Date joined scheme:	06/04/2005
Date of retirement:	14/09/2026
Age at date of retirement:	63 years & 5 months
Normal pension age:	65
Normal pension date:	19/03/2028
Type of retirement:	Early retirement
Spouse's date of birth:	10/06/1974 (spouse > 10 years younger – potential reduction!)
Transferred-in pension (pre-2006):	£2,999.87 pa (payable from NPD)
Pre-2006 CARE pension:	£1,011.60 pa (accrued to 05/04/2026)
Post-2006 CARE pension:	£19,621.28 pa (accrued to 05/04/2026)
Pro-rata CPI:	1.8%
Pensionable earnings:	£62,141.67 [(£60,250+£62,075+£64,100) / 3]
Pensionable service (06/04/2026 to DOR):	0yrs & 5mths (06/04/2026 - 14/09/2026)
Contractual salary:	£65,600.00
Underpin (total pens. service to DOR):	21yrs & 5mths (06/04/2005 - 14/09/2026)
Underpin (pre-2006 pens. service):	1yr & 0mths (06/04/2005 – 05/04/2006)
Underpin (post-2006 pens. service to DOR):	20yrs & 5mths (06/04/2006 - 14/09/2026)
Remaining 'LS&DBA':	£1,073,100.00
Remaining 'LSA':	£268,275.00
Commutation factor:	19.26 (age 63yrs & 5mths) [19.46 – (0.48 x 5/12 = 0.20) = 19.26]
Early retirement factor:	0.937 (age 63yrs & 5mths) [0.920 + (0.040 x 5/12 = 0.017) = 0.937]

CARE Pension

Pension accrued 05/04/2026 (pre-2006):	=	£1,011.60 pa
Pro-rata CPI increase: £1,011.60 x 1.8%	=	£18.21 pa
Member (pre-2006: <i>pre-ERF</i>): £1,011.60 + £18.21	=	£1,029.81 pa

Pension accrued 05/04/2026 (post-2006):	=	£19,621.28 pa
Pro-rata CPI increase: £19,621.28 x 1.8%	=	£353.18 pa
YTD pension: £62,141.67 x ⁵ / ₁₂ x 1/75	=	£345.23 pa
Member (post-2006: <i>pre-ERF</i>): £19,621.28 + £353.18 + £345.23	=	£20,319.69 pa

Member (pre-2006: <i>post-ERF</i>): £1,029.81 x 0.937	=	£964.93 pa
Member (post-2006: <i>post-ERF</i>): £20,319.69 x 0.937	=	£19,039.55 pa
Total CARE pension: £964.93 + £19,039.55	=	£20,004.48 pa

Final Salary Underpin

Member (pre-2006: *pre-ERF*): $£65,600.00 \times 1^0/_{12} \times 1/90$ = **£728.89 pa**

Member (post-2006: *pre-ERF*): $£65,600.00 \times 20^5/_{12} \times 1/90$ = **£14,881.48 pa**

Member (pre-2006: *pre-ERF*): $£728.89 \times 0.937$ = **£682.97 pa**

Member (post-2006: *post-ERF*): $£14,881.48 \times 0.937$ = **£13,943.95 pa**

Total Underpin pension: $£682.97 + £13,943.95$ = **£14,626.92 pa**

Total CARE pension of £20,004.48 pa exceeds total Underpin pension of £14,626.92 pa!

Option 1 – Full Pension (CARE)

Full Pension

Member (pre-2006): = **£964.93 pa**

Member (post-2006): = **£19,039.55 pa**

Member (pre-2006 TVin): $£2,999.87 \times 0.937$ = **£2,810.88 pa**

Member (total): $£964.93 + £19,039.55 + £2,810.88$ = **£22,815.36 pa**

Spouse (pre-2006): $£964.93 \times 40\%$ = **£385.97 pa**

Spouse (post-2006): $£19,039.55 \times 40\%$ = **£7,615.82 pa**

Spouse (pre-2006 TVin): $£2,810.88 \times 40\%$ = **£1,124.35 pa**

Spouse (total): $£385.97 + £7,615.82 + £1,124.35$ = **£9,126.14 pa**

OR

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member: $£22,815.36 \times 20 / [3 + (20 / 19.26)]$ = **£112,991.47**

'LS&DBA' Check: $£112,991.47$ vs $£1,073,100.00$ = **OK**

'LSA' Check: $£112,991.47$ vs $£268,275.00$ = **OK**

Residual Pension

Member (total):	£22,815.36 – (£112,991.47 / 19.26 = £5,866.64)	=	<u>£16,948.72 pa</u>
Member (post-2006):	£19,039.55 - £5,866.64	=	£13,172.91 pa
Member (pre-2006):		=	£964.93 pa
Member (pre-2006 TVin):		=	£2,810.88 pa

Spouse (pre-2006):	Unchanged	=	£385.97 pa
Spouse (post-2006):	Unchanged	=	£7,615.82 pa
Spouse (pre-2006 TVin):	Unchanged	=	£1,124.35 pa
Spouse (total):	Unchanged	=	<u>£9,126.14 pa</u>

Summary Answer

Option 1 – Pension Only

A full pension of **£22,815.36 per annum**, of which **£964.93 per annum** increases at the lower of RPI and 5.0% (pre-2006 pension), **£19,039.55 per annum** increases at the lower of RPI and 2.5% (post-2006 pension) and **£2,810.88 per annum** increases at the lower of RPI and 5.0% (pre-2006, transferred-in pension).

A spouse's pension of **£9,126.14 per annum**, of which **£385.97 per annum** increases at the lower of RPI and 5.0% (pre-2006 pension), **£7,615.82 per annum** increases at the lower of RPI and 2.5% (post-2006 pension) and **£1,124.35 per annum** increases at the lower of RPI and 5.0% (pre-2006, transferred-in pension).

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£112,991.47** plus a residual pension of **£16,948.72 per annum**, of which **£964.93 per annum** increases at the lower of RPI and 5.0% (pre-2006 pension), **£13,172.91 per annum** increases at the lower of RPI and 2.5% (post-2006 pension) and **£2,810.88 per annum** increases at the lower of RPI and 5.0% (pre-2006, transferred-in pension). The tax-free cash sum of **£112,991.47** 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 **£9,126.14 per annum**, of which **£385.97 per annum** increases at the lower of RPI and 5.0% (pre-2006 pension), **£7,615.82 per annum** increases at the lower of RPI and 2.5% (post-2006 pension) and **£1,124.35 per annum** increases at the lower of RPI and 5.0% (pre-2006, transferred-in pension).