

RST Letter – Key Points – Paula Novotna (DOR: 18 September 2026)

1a. Full pension – (Option 1)

- Full CARE pension of **£17,364.68 per annum** (*all post-2006 pension*)

- The post-2006 pension of **£17,364.68 per annum** will be increased each year on 1 October by the lower of the increase in the Retail Prices Index and 2.5%

OR

1b. Tax-free cash sum & residual pension – (Option 2)

- Tax-free cash sum of **£81,073.33** – [within member's available 'LS&DBA' of **£993,100.00** and 'LSA' of **£188,275.00**]
PLUS
Residual CARE pension of **£12,161.00 per annum** (*all post-2006 pension*)

- The post-2006 pension of **£12,161.00 per annum** will be increased each year on 1 October by the lower of the increase in the Retail Prices Index and 2.5%

2. Payment of pension

- The pension will be paid by monthly instalments in advance
- The first payment of pension will be made on **1 October 2026**
- The pension will be paid for life and will be subject to PAYE

3. Death in retirement

- If the member dies before 60 monthly instalments of pension have been paid (*but capped to what would have been the member's 75th birthday*), the balance of the 60 months (based on the rate of pension payable at the member's date of death) will be paid as a lump sum death benefit
- For both options, a spouse's pension will be payable on the death of the member of **£6,945.87 per annum** (*all post-2006 pension*) – (*these figures are before any annual increases are applied between the member's date of retirement and the member's date of death*)
- The spouse's pension will be paid for life and will be subject to PAYE

4. General information

- Mention that the CARE pension of **£17,364.68 per annum** is higher than the Underpin pension of **£9,656.55 per annum**
- Mention any special circumstances (i.e. part-time service)

5. Details required

- Request a copy of the member's birth certificate
- Request the member's completed 'Option choice' form
- Request the member's completed 'Bank details' form

NOTE –

For the purposes of the CPC examinations, candidates will be presented with a draft Letter. They will then be expected to:

- a) *Transcribe data required to be populated in the draft Letter accurately from their Case Study answers to the answer box*
- b) *Identify and detail basic expected information not communicated in the draft Letter to the answer box*
- c) *Identify and correct information wrongly communicated in the draft Letter to the answer box*