

Option 2 – Cash Sum & Residual Pension

Cash Sum

Member: £27,246.70 x 20 / [3 + (20 / 27.98)] = **£146,692.84**

'LS&DBA' Check: £146,692.84 vs £1,073,100.00 = **OK**

'LSA' Check: £146,692.84 vs £268,275.00 = **OK**

Residual Pension

Member: £27,246.70 – (£146,692.84 / 27.98 = £5,242.77) = **£22,003.93 pa**

Spouse (payable on death): £27,246.70 x 50% = **£13,623.35 pa**

GMP Check:

£22,003.93 pa is greater than GMP of £521.04 pa (therefore no cash sum restriction required)

Summary Answer

Option 1 – Pension Only

A full pension of **£27,246.70 per annum** (including an excess pension of **£26,725.66 per annum** and a post-1988 GMP of **£521.04 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*) up to GMP due date (age 60). From that date, the post-1988 GMP will be increased each year by the lower of the increase in the CPI and 3.0% and the balance will be increased each year by the lower of the increase in the RPI and 5.0%.

A spouse's pension of **£13,623.35 per annum**.

OR

Option 2 – Cash Sum & Residual Pension

A tax-free cash sum of **£146,692.84** plus a residual pension of **£22,003.93 per annum** (including an excess pension of **£21,482.89 per annum** and a post-1988 GMP of **£521.04 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*) up to GMP due date (age 60). From that date, the post-1988 GMP will be increased each year by the lower of the increase in the CPI and 3.0% and the balance will be increased each year by the lower of the increase in the RPI and 5.0%. The tax-free cash sum of **£146,692.84** 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 **£13,623.35 per annum**.