

XYZ Letter – Key Points – Kelly Mountjoy (DOR: 12 September 2026)

1a. Full pension – (Option 1)

- Full pension of **£21,642.59 per annum** (including an excess pension of **£20,619.75 per annum** and a post-1988 GMP of **£1,022.84 per annum**)

- The pension of **£21,642.59 per annum** (including an excess pension of **£20,619.75 per annum** and a post-1988 GMP of **£1,022.84 per annum**) will be increased each year on 1 April by the lower of the increase in the Retail Prices Index and 5.0% up to GMP due date (age 60), *pro-rated for the first year*
- From GMP due date, the post-1988 GMP will be increased each year on 1 April by the lower of the increase in the Consumer Prices Index and 3.0% and the balance will be increased each year on 1 April by the lower of the increase in the Retail Prices Index and 5.0%

OR

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

- Tax-free cash sum of **£115,881.58** – [within both member's available 'LS&DBA' of **£1,073,100.00** and 'LSA' of **£268,275.00**]
PLUS
- Residual pension of **£17,382.24 per annum** (including an excess pension of **£16,359.40 per annum** and a post-1988 GMP of **£1,022.84 per annum**)

- The pension of **£17,382.24 per annum** (including an excess pension of **£16,359.40 per annum** and a post-1988 GMP of **£1,022.84 per annum**) will be increased each year on 1 April by the lower of the increase in the Retail Prices Index and 5.0% up to GMP due date (age 60), *pro-rated for the first year*
- From GMP due date, the post-1988 GMP will be increased each year on 1 April by the lower of the increase in the Consumer Prices Index and 3.0% and the balance will be increased each year on 1 April by the lower of the increase in the Retail Prices Index and 5.0%

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, 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 **£10,821.30 per annum** – (*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 pension has been reduced due to the member's early retirement
- Mention any special circumstances (i.e. varied accrual rates)

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

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*