

XYZ Category A - (Answer)

DIS after NPD – (special circumstances: varied accrual rates)

Name	Spencer Stepney	Pre-1988 GMP	=	N/A
DOD	16/09/2026	Post-1988 GMP	=	£1,987.96 pa
DOB	13/12/1959	Salary at DOD	=	£58,700.00
DJS	20/03/1994	Final pensionable salary at NPD	=	£55,975.00
NPD	13/12/2024	(best 1/5 prior to NPD)		
Age 75	13/12/2034	Remaining 'LS&DBA'	=	£952,999.00

Pre-1997 pens. service (80ths)	=	20/03/1994 to 05/04/1997	=	3yrs & 17dys
Post-1997 pens. service (80ths)	=	06/04/1997 to 05/04/2016	=	19yrs & 0dys
Post-1997 pens. service (70ths)	=	06/04/2016 to 05/04/2022	=	6yrs & 0dys
Post-1997 pens. service (60ths)	=	06/04/2022 to 13/12/2024	=	2yrs & 252dys

Late retirement factor	=	NPD to DOD: 13/12/2024 to 16/09/2026 (1yr & 9mths)		
1 year	=	1.032		
2 years	=	1.067		
Factor	=	1.032 + [(1.067 - 1.032) x 9/12]	=	1.058 (3dps)

1) Lump sum death benefit

Member's pension at DOD (used to derive spouse's pension and LSDB):

Member (pre-1997 - [70ths]):	=	£55,975.00 x		
		[3yrs+(17dys/365dys)] / 80 x 1.058	=	£2,255.29 pa
				+
Member (post-1997 - [70ths]):	=	£55,975.00 x		
		[19yrs+(0dys/365dys)] / 80 x 1.058	=	£14,065.12 pa
				+
Member (post-1997 - [80ths]):	=	£55,975.00 x		
		[6yrs+(0dys/365dys)] / 70 x 1.058	=	£5,076.13 pa
				+
Member (post-1997 - [60ths]):	=	£55,975.00 x		
		[2yrs+(252dys/365dys)] / 60 x 1.058	=	£2,655.51 pa
Total member's pension at DOD			=	<u>£24,052.05 pa</u>

GMP Check:

Pre-1997 pension v GMP: **£2,255.29 v £1,987.96 => OK**

OR

Total pension v **£24,052.05 v**
post-1997 pension + GMP: (£24,052.05 - £2,255.29 = £21,796.76)
+ £1,987.96 = **£23,784.72 => OK**

Payments NOT capped to age 75 as this is more than 5 years from member's DOD

Outstanding instalments	=	60 payments (01/10/2026 to 01/09/2031)	
Balance of guarantee	=	£24,052.05 / 12 x 60	= <u>£120,260.25</u>

Total LSDB payable at Trustees' discretion	=		= <u>£120,260.25</u>
'LS&DBA' Check	=	£120,260.25 v £952,999.00	= OK

2) Spouse's pension at DOD

Spouse's pension	=	£24,052.05 x 50%	= <u>£12,026.05 pa</u>
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This is split as follows:

Total WGMP (all post-1988)	=	£1,987.96 / 52 x 50% (2dps) x 52	= £994.24 pa
			+
Excess	=	£12,026.05 - £994.24	= £11,031.81 pa
Spouse's pension	=		= <u>£12,026.05 pa</u>