**How to work out Fred’s pension income**

* Years in scheme
* Divided by accrual rate
* Multiplied by pensionable earnings

So

* the scheme has an accrual rate of 1/60th
* he was in a DB pension scheme for 40 years
* He retired on his normal retirement date on a salary of £60,000 a year

This would give Fred a pension of:

40 (years) multiplied by £60,000 (salary)

Divided by 60 (accrual rate) = **£40,000 a year**

This figure would be less if a lump sum had been taken.