

## Case Study: Dave (U3)

Upper Pay Range – Protected



**Dave** (DOB: 01/04/62)

In 2015 Dave was a Protected member with a Normal Pension Age of 60 in the final salary scheme

### Questions?

#### What happened to Dave when the changes were introduced in 2015?

Born before 1 April 1962, Dave was a protected member and never moved in to the career average scheme. All of his service is in the final salary scheme with an NPA of 60.

#### When does Dave want to retire?

- Dave wants to retire before the career average scheme starts on 1 April 2022 at the age of 60.
- His average salary then will be £42,124.33 (the index linking of his previous salaries means this is slightly higher than his actual salary)

#### What has Dave's career looked like?

Dave is a good classroom teacher, starting in 1985 he progressed up the pay scales to finish at the top of the upper pay range.

Currently (2022) on a salary of £41,604.

### Choice 1

Remedy period from final salary scheme

#### Total Pension

£19,596.20

#### Total Automatic Lump Sum

£58,788.61

Under Choice 1, taking the final salary option for the remedy period at the age of 60 results in no actuarial reduction as that is the normal pension age for this scheme.

### Choice 2

Remedy period from career average scheme

#### Total Pension

£19,637.12

#### Total Automatic Lump Sum

£47,666.44

Under Choice 2, taking the career average option for the remedy period at the age of 60 results in the career average part of the pension being actuarially reduced to 69.9% as it is being taken 7 years early.

**Part A** Dates: 1/04/1985 - 31/03/2015  
Final Salary scheme (NPA60)  
30 years' service

Pension of £15,888.81

Automatic lump sum £47,666.44

**Part B** Dates: 01/04/2015 - 31/03/2022  
Remedy Period: 7 years' service

Choice 1 - Final Salary Scheme

Pension of £3,707.39

Automatic lump £11,122.17

OR

Choice 2 - Career Average Scheme

Pension of £3,748.31

**Part C** Dates: 01/04/2022 onwards  
Career Average scheme (NPA67)  
0 years' service

Pension of £0.00

Choice 1 - Final Salary Scheme

Pension of £19,596.20

Lump Sum £58,788.61

OR

Choice 2 - Career Average Scheme

Pension of £19,637.12

Lump Sum £47,666.44