

## NHS Pensions - Annual Allowance example calculation 1: Annual Allowance not exceeded (1995 Member)

### Criteria:

Pensionable service of 15 years at 31 March 2011

Salary of £125,000 at 31 March 2011

Increases to £127,500 at 31 March 2012

Whole time Membership in the 1995 section

CPI @ 3.1%

**Pension input period** 1 April 2011 to 31 March 2012

### Opening Value of pension input period

#### Step 1

Pension (£125,000 x 15/80) = £23,437.50

#### Step 2

Pension x 16 = £375,000.00

#### Step 3

Lump Sum (£23,437.50 x 3) = £70,312.50  
£445,312.50

#### Step 4

£445,312.50 + 3.1% = **£459,117.19**

## **Closing Value of pension input period**

### **Step 1**

$$\text{Pension } (£127,500 \times 16/80) = £25,500.00$$

### **Step 2**

$$\text{Pension } \times 16 = £408,000.00$$

### **Step 3**

$$\text{Lump Sum } (£25,500.00 \times 3) = \begin{array}{r} \underline{£76,500.00} \\ \mathbf{£484,500.00} \end{array}$$

## **Pension input amount**

$$£484,500.00 - £459,117.19 = \mathbf{£25,382.81}$$

$$\mathbf{\text{Unused AA}} \text{ } (£50,000 - £25,382.81) = £24,617.19$$