



Bob

Bob is 72 and has been drawing his APS pension since 2007. He reached age 65 in 2012 and the Guaranteed Minimum Pension (GMP) came into effect at that time. As Bob's pension was in payment before December 2013, he is entitled to the full, one-off lump sum of 4.6% of his pension at 31 March 2019, the catch-up Discretionary Increase (DI) of 1.7% and the 2019 DI of 0.7% on the elements of his pension at 8 April 2019 that usually receive yearly increases in line with the Government's Pensions Increase (Review) Orders.

Bob's 2019 Discretionary Increase payments are worked out as follows:

Pension adjustment:

Original pension at 8 April 2019		2019 DI	New pension from 8 April 2019
Pre'88 GMP:	£ 1,050.30	0%	£ 1,050.30
Post'88 GMP:	£ 3,240.50	0%	£ 3,240.50
APS increasing pension:	£ 8,000.00	1.7% then 0.7%	£ 8,192.95
Total pension:	£12,290.80		£12,483.75

Pension payment arrears: £125.00

Arrears of pension due for the period 8 April 2019 to 30 November 2019: $(£12,483.75 - £12,290.80) \times 7$ months and 23 days.

Lump sum payment: £359.38

Bob's increasing pension as at 31 March 2019 was £7,812.50 and therefore his lump sum payment is worked out as $£7,812.50 \times$ APS DI lump sum award (4.6%).

Bob's total pension payment in December 2019 (before any tax deductions): £1,524.69

December pension payment: $(£12,483.75 / 12) = £1,040.31$ plus £125.00 plus £359.38.