

XYZ Letter – Key Points – William Charlton (DOR: 13 September 2024)

1a. Full pension – (Option 1a)

- Full pension of **£14,016.02 per annum** (including an excess pension of **£7,541.78 per annum**, a post-1988 GMP of **£3,742.96 per annum** and a single life AVC pension of **£2,731.28 per annum**)

- The excess pension of **£7,541.78 per annum** and the single life AVC pension of **£2,731.28 per annum** (total = **£10,273.06 per annum**) will be increased each year on 1 April by the lower of the increase in the Retail Prices Index and 5.0% (*pro-rated for the first year*)
- The post-1988 GMP of **£3,742.96 per annum** will be increased each year on 1 April by the lower of the increase in the Consumer Prices Index and 3.0%

OR

1b. Cash sum & residual pension – (Option 2)

- Tax-free cash sum of **£70,917.49** (including current AVC value of **£51,621.18**) – [within both member's available 'LS&DBA' of **£1,073,100.00** and 'LSA' of **£268,275.00**]
PLUS
- Residual pension of **£10,425.60 per annum** (including an excess pension of **£6,682.64 per annum** and a post-1988 GMP of **£3,742.96 per annum**)

- The excess pension of **£6,682.64 per annum** will be increased each year on 1 April by the lower of the increase in the Retail Prices Index and 5.0% (*pro-rated for the first year*)
- The post-1988 GMP of **£3,742.96 per annum** will be increased each year on 1 April by the lower of the increase in the Consumer Prices Index and 3.0%

2. Payment of pension

- The pension will be paid by monthly instalments in advance
- The first payment of pension will be made on **1 October 2024**
- The pension will be paid for life and will be subject to PAYE

3. Death in retirement

- If the member dies before 60 monthly instalments of pension have been paid, the balance of the 60 months (based on the rate of pension payable at the member's date of death) will be paid as a lump sum death benefit
- For both options, a spouse's pension will be payable on the death of the member of **£5,642.37 per annum** – (*these figures are before any annual increases are applied between the member's date of retirement and the member's date of death*)
- The spouse's pension will be paid for life and will be subject to PAYE

4. General information

- Mention any special circumstances (i.e. AVCs)

5. AVC flexibilities

- Mention that the member's AVCs can be transferred to a suitable provider to take advantage of the flexibilities introduced in 'Budget 2014'
- Mention that the Trustees must offer to book a pensions guidance appointment with Pensions Wise (on behalf of the member)

- Mention that the Trustees must explain to the member that the transfer of his AVCs cannot proceed until he has received appropriate pensions guidance from Pensions Wise
- Mention that the member can only opt out of the Pensions Wise guidance by giving the Trustees an opt-out notification

6. Details required

- Request a copy of the member's birth certificate
- Request the member's completed 'Option choice' form
- Request the member's completed 'Bank details' form

NOTE –

Letters should be written in full and should include the information contained in each of the bullet points.

Failure to write a letter in full will result in marks being lost.

Failure to mention the information contained in each of the bullet points will result in marks being lost.