

**OPQ – Answer**

Name MICHELLE LISTON (*Normal Ret. from ACT – with AVCs*)  
DOR 13/09/2024  
DOB 13/09/1958  
NPD = SPA (*not relevant for answer*)  
TRD 31/08/2026

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Contributions (member) £48,406.90  
Contributions (employer) £77,451.04  
AVCs (member) £39,220.67

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Lifestyle units (member) 28,226.0006  
Lifestyle units (employer) 45,161.6010  
Units (AVCs) 18,118.2929 (*Corporate Bond*)

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Remaining 'LS&DBA' £1,073,100.00  
Remaining 'LSA' £268,275.00

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Quotes required (1): £55,250.00 tax-free cash sum (provided this is within HMRC limits) and single-life annuity (non-escalating)

Quotes required (2): £55,250.00 tax-free cash sum (provided this is within HMRC limits) and single-life annuity (escalating by lower of 2.5% or RPI)

Quotes required (3): Single-life annuity (non-escalating)

Quotes required (4): Single-life annuity (escalating by lower of 2.5% or RPI)

Quotes required (5): Single 'Uncrystallised Funds Pension Lump Sum' (UFPLS)

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Annuity factors: Single-life option (non-escalating)  
= 9.00 (age 66yrs & 0mths)

Single-life option (escalating by lower of 2.5% or RPI)  
= 7.56 (age 66yrs & 0mths)

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### Lifestyle Details

Last switch date	01/09/2024
TRD	31/08/2026
Full months to TRD	24 months

### Lifestyle Splits

Global Equity	40.00%
Index Linked Bond	45.00%
Cash	15.00%

### Fund Prices

Global Equity	£3.822
Index Linked Bond	£1.598
Cash	£1.013
Corporate Bond	£2.732

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### Personal Retirement Account

#### **Member**

Global Equity	28,226.0006	x 40.00%	= 11,290.4002	x £3.822 =	£43,151.91
Index Linked Bond	28,226.0006	x 45.00%	= 12,701.7003	x £1.598 =	£20,297.32
Cash	28,226.0006	x 15.00%	= 4,233.9001	x £1.013 =	£4,288.94
TOTAL					<b>£67,738.17</b>

#### **Employer**

Global Equity	45,161.6010	x 40.00%	= 18,064.6404	x £3.822 =	£69,043.06
Index Linked Bond	45,161.6010	x 45.00%	= 20,322.7205	x £1.598 =	£32,475.71
Cash	45,161.6010	x 15.00%	= 6,774.2402	x £1.013 =	£6,862.31
TOTAL					<b>£108,381.08</b>

#### **AVCs**

Corporate Bond		18,118.2929	x £2.732 =	£49,499.18
TOTAL				<b>£49,499.18</b>

Total Personal Retirement Account	=	£67,738.17 + £108,381.08		
			+ £49,499.18	=
				<b><u>£225,618.43</u></b>

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### OPTION-1a

#### Tax-free cash sum

Amount required: = **£55,250.00**

*Maximum permitted:* £225,618.43 x 25% = £56,404.61 (ok)

#### Single-life annuity (non-increasing)

Balance of fund: £225,618.43 - £55,250.00 = £170,368.43

Annuity bureau charge: £170,368.43 x 0.065% = £110.74

**£110.74** charge applies (as exceeds minimum of £75.00)

Amount left to purchase an annuity: £170,368.43 - £110.74 = £170,257.69

Member: £170,257.69 / 100 x 9.00 = **£15,323.19 pa**

Spouse: = **N/A**

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### OPTION-1b

#### Tax-free cash sum

Amount required: = **£55,250.00**

*Maximum permitted:* £225,618.43 x 25% = £56,404.61 (ok)

#### Single-life annuity (increasing by lower of 2.5% or RPI)

Balance of fund: £225,618.43 - £55,250.00 = £170,368.43

Annuity bureau charge: £170,368.43 x 0.065% = £110.74

**£110.74** charge applies (as exceeds minimum of £75.00)

Amount left to purchase an annuity: £170,368.43 - £110.74 = £170,257.69

Member: £170,257.69 / 100 x 7.56 = **£12,871.48 pa**

Spouse: = **N/A**

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**'LS&DBA' Check (BOTH OPTIONS):** £55,250.00 vs £1,073,100.00 = **OK**

**'LSA' Check (BOTH OPTIONS):** £55,250.00 vs £268,275.00 = **OK**

**OPTION-1c**

**Single-life annuity (non-increasing)**

Balance of fund:		=	£225,618.43
Annuity bureau charge:	£225,618.43 x 0.065%	=	£146.65
	<b>£146.65</b> charge applies ( <i>as exceeds minimum of £75.00</i> )		
Amount left to purchase an annuity:	£225,618.43 - £146.65	=	£225,471.78
Member:	£225,471.78 / 100 x 9.00	=	<b><u>£20,292.46 pa</u></b>
Spouse:		=	<b>N/A</b>

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**OPTION-1d**

**Single-life annuity (increasing by lower of 2.5% or RPI)**

Balance of fund:		=	£225,618.43
Annuity bureau charge:	£225,618.43 x 0.065%	=	£146.65
	<b>£146.65</b> charge applies ( <i>as exceeds minimum of £75.00</i> )		
Amount left to purchase an annuity:	£225,618.43 - £146.65	=	£225,471.78
Member:	£225,471.78 / 100 x 7.56	=	<b><u>£17,045.67 pa</u></b>
Spouse:		=	<b>N/A</b>

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**'LS&DBA' Check (BOTH OPTIONS):** = **N/A**

**'LSA' Check (BOTH OPTIONS):** = **N/A**

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## OPTION-2

### UFPLS

Tax-free amount: £225,618.43 x 25% = **£56,404.61**

Taxable at marginal rate: £225,618.43 x 75% = **£169,213.82**

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'LS&DBA' Check: £56,404.61 vs £1,073,100.00 = **OK**

'LSA' Check: £56,404.61 vs £268,275.00 = **OK**

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### Summary Answer

Value of Personal Retirement Fund = £225,618.43

#### Options

- (1a) Tax-free cash sum of £55,250.00 – [within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

#### **PLUS**

Single-life annuity (non-increasing) of £15,323.19 pa [*spouse* = N/A] – Annuity Bureau Charge of £110.74

#### **OR**

- (1b) Tax-free cash sum of £55,250.00 – [within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

#### **PLUS**

Single-life annuity (increasing by lower of 2.5% or RPI) of £12,871.48 pa [*spouse* = N/A] – Annuity Bureau Charge of £110.74

#### **OR**

- (1c) Single-life annuity (non-increasing) of £20,292.46 pa [*spouse* = N/A] – Annuity Bureau Charge of £146.65

#### **OR**

- (1d) Single-life annuity (increasing by lower of 2.5% or RPI) of £17,045.67 pa [*spouse = N/A*] – Annuity Bureau Charge of £146.65

**OR**

- (2) Uncrystallised Funds Pension Lump Sum (UFPLS) of £225,618.43, of which £56,404.61 will be paid tax-free and £169,213.82 (taxable element) will be paid assuming an emergency code on a month 1 basis – [tax-free element is within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

**OR**

- (3) Transfer entire Personal Retirement Account to a suitable alternative arrangement to take advantage of additional flexibilities (e.g. multiple UFPLS's or Flexi-Access Drawdown)

**OR**

- (4) Open Market Option