

OPQ – Answer

Name JASON GATES (*Normal Ret. from ACT: no special circumstances*)
DOR 13/09/2025
DOB 13/09/1959
NPD = SPA (*not relevant for answer*)
TRD N/A

Contributions (member) £45,607.98
Contributions (employer) £72,927.77

Units (member) 7,718.9984 (*Balanced*)
Units (member) 12,886.6420 (*Corporate Bond*)
Units (member) 10,112.4546 (*Cash*)
Units (employer) 12,350.3974 (*Balanced*)
Units (employer) 20,618.6272 (*Corporate Bond*)
Units (employer) 16,179.9274 (*Cash*)

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

Quotes required (1): £60,000.00 tax-free cash sum (provided this is within HMRC limits) and 50% joint-life annuity (non-escalating)

Quotes required (2): £60,000.00 tax-free cash sum (provided this is within HMRC limits) and 50% joint-life annuity (escalating by lower of 5.0 or RPI)

Quotes required (3): 50% joint-life annuity (non-escalating) – *No Cash*

Quotes required (4): 50% joint-life annuity (escalating by lower of 5.0% or RPI) – *No Cash*

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

Annuity factors: 50% joint-life option (non-escalating)
= 7.70 (age 66yrs & 0mths)

50% joint-life option (escalating by lower of 5.0% or RPI)
= 5.64 (age 66yrs & 0mths)

Fund Prices

Balanced	£4.911
Corporate Bond	£2.872
Cash	£1.017

Personal Retirement Account**Member**

Balanced	7,718.9984	x	£4.911	=	£37,908.00
Corporate Bond	12,886.6420	x	£2.872	=	£37,010.44
Cash	10,112.4546	x	£1.017	=	£10,284.37
TOTAL					£85,202.81

Employer

Balanced	12,350.3974	x	£4.911	=	£60,652.80
Corporate Bond	20,618.6272	x	£2.872	=	£59,216.70
Cash	16,179.9274	x	£1.017	=	£16,454.99
TOTAL					£136,324.49

Total Personal Retirement Account = £85,202.81 + £136,324.49 = **£221,527.30**

OPTION-1a**Tax-free cash sum**

Amount required: = **£60,000.00**

Maximum permitted: £221,527.30 x 25% = **£55,381.83** (capped)

50% joint-life annuity (non-increasing)

Balance of fund: £221,527.30 - £55,381.83 = **£166,145.47**

Annuity bureau charge: £166,145.47 x 0.065% = **£107.99**

£107.99 charge applies (as exceeds minimum of £75.00)

Amount left to purchase an annuity: £166,145.47 - £107.99 = **£166,037.48**

Member: £166,037.48 / 100 x 7.70 = **£12,784.89 pa**

Spouse: £12,784.89 x 50% = **£6,392.45 pa**

OPTION-1b

Tax-free cash sum

Amount required: = **£60,000.00**

Maximum permitted: $£221,527.30 \times 25\%$ = **£55,381.83** (capped)

50% joint-life annuity (increasing by lower of 5.0% or RPI)

Balance of fund: $£221,527.30 - £55,381.83$ = **£166,145.47**

Annuity bureau charge: $£166,145.47 \times 0.065\%$ = **£107.99**

£107.99 charge applies (as exceeds minimum of £75.00)

Amount left to purchase an annuity: $£166,145.47 - £107.99$ = **£166,037.48**

Member: $£166,037.48 / 100 \times 5.64$ = **£9,364.51 pa**

Spouse: $£9,364.51 \times 50\%$ = **£4,682.26 pa**

'LS&DBA' Check (BOTH OPTIONS): $£55,381.83$ vs $£1,073,100.00$ = **OK**

'LSA' Check (BOTH OPTIONS): $£55,381.83$ vs $£268,275.00$ = **OK**

OPTION-1c

50% joint-life annuity (non-increasing)

Balance of fund: = **£221,527.30**

Annuity bureau charge: $£221,527.30 \times 0.065\%$ = **£143.99**

£143.99 charge applies (as exceeds minimum of £75.00)

Amount left to purchase an annuity: $£221,527.30 - £143.99$ = **£221,383.31**

Member: $£221,383.31 / 100 \times 7.70$ = **£17,046.51 pa**

Spouse: $£17,046.51 \times 50\%$ = **£8,523.26 pa**

OPTION-1d

50% joint-life annuity (increasing by lower of 5.0 or RPI)

Balance of fund:		=	£221,527.30
Annuity bureau charge:	£221,527.30 x 0.065%	=	£143.99
	£143.99 charge applies (<i>as exceeds minimum of £75.00</i>)		
Amount left to purchase an annuity:	£221,527.30 - £143.99	=	£221,383.31
Member:	£221,383.31 / 100 x 5.64	=	<u>£12,486.02 pa</u>
Spouse:	£12,486.02 x 50%	=	<u>£6,243.01 pa</u>

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

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

OPTION-2

UFPLS

Tax-free amount:	£221,527.30 x 25%	=	<u>£55,381.83</u>
Taxable at marginal rate:	£221,527.30 x 75%	=	<u>£166,145.47</u>

'LS&DBA' Check: £55,381.83 vs £1,073,100.00 = **OK**

'LSA' Check: £55,381.83 vs £268,275.00 = **OK**

Summary Answer

Value of Personal Retirement Fund = £221,527.30

Options

- (1a) Tax-free cash sum *{restricted}* of £55,381.83 – [within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

PLUS

50% joint-life annuity (non-increasing) of £12,784.89 pa [*spouse = £6,392.45 pa*] – Annuity Bureau Charge of £107.99

OR

- (1b) Tax-free cash sum *{restricted}* of £55,381.83 – [within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

PLUS

50% joint-life annuity (increasing by lower of 5.0% or RPI) of £9,364.51 pa [*spouse = £4,682.26 pa*] – Annuity Bureau Charge of £107.99

OR

- (1c) 50% joint-life annuity (non-increasing) of £17,046.51 pa [*spouse = £8,523.26 pa*] – Annuity Bureau Charge of £143.99

OR

- (1d) 50% joint-life annuity (increasing by lower of 5.0% or RPI) of £12,486.02 pa [*spouse = £6,243.01 pa*] – Annuity Bureau Charge of £143.99

OR

- (2) Uncrystallised Funds Pension Lump Sum (UFPLS) of £221,527.30, of which £55,381.83 will be paid tax-free and £166,145.47 (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