

OPQ – Answer

Name EVELYN KIST (*Late Ret. from ACT – with augmentation*)
DOR 10/09/2025
DOB 19/03/1956
NPD = SPA (*not relevant for answer*)
TRD N/A

Contributions (member) £97,502.48
Contributions (employer) £156,003.96
Augmentation (employer) £25,000.00

Units (member) 28,884.1124 (*Balanced*)
Units (member) 18,942.7752 (*Cash*)
Units (employer) 46,214.5798 (*Balanced*)
Units (employer) 30,308.4403 (*Cash*)
Units (employer – Aug.) 16,822.7848 (*Index Linked Bond*)

Remaining 'LS&DBA' £998,100.00
Remaining 'LSA' £193,275.00

Quotes required (1): 20% tax-free cash sum (provided this is within HMRC limits) and single-life annuity (non-escalating)

Quotes required (2): 20% tax-free cash sum (provided this is within HMRC limits) and single-life annuity (escalating by lower of 3.0% or RPI)

Annuity factors: Single-life option (non-escalating)
= 10.18 (age 69yrs & 5mths)
 $10.02 + ([10.41 - 10.02] \times 5/12 = 0.1625)$

Single-life option (escalating by lower of 3.0% or RPI)
= 8.48 (age 69yrs & 5mths)
 $8.32 + ([8.71 - 8.32] \times 11/12 = 0.1625)$

Fund Prices

Balanced £4.911
Cash £1.017
Index Linked Bond £1.632 (*Augmentation*)

Personal Retirement Account

Member

Balanced	28,884.1124	x	£4.911	=	£141,849.88
Cash	18,942.7752	x	£1.017	=	£19,264.80
TOTAL					£161,114.68

Employer

Balanced	46,214.5798	x	£4.911	=	£226,959.80
Cash	30,308.4403	x	£1.017	=	£30,823.68
TOTAL					£257,783.48

Employer (Augmentation)

Index Linked Bond	16,822.7848	x	£1.632	=	£27,454.78
TOTAL					£27,454.78

Total Personal Retirement Account	=	£161,114.68 + £257,783.48			
		+ £27,454.78	=		<u>£446,352.94</u>

OPTION-1a

Tax-free cash sum

Amount required:	£446,352.94 x 20%	=	<u>£89,270.59</u>
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Maximum permitted:	£446,352.94 x 25%	=	£111,588.24 (ok)
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Single-life annuity (non-increasing)

Balance of fund:	£446,352.94 - £89,270.59	=	£357,082.35
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Annuity bureau charge:	£357,082.35 x 0.065%	=	£232.10
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£232.10 charge applies (as exceeds minimum of £75.00)

Amount left to purchase an annuity:	£357,082.35 - £232.10	=	£356,850.25
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Member:	£356,850.25 / 100 x 10.18	=	<u>£36,327.36 pa</u>
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Spouse:		=	N/A
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OPTION-1b

Tax-free cash sum

Amount required: £446,352.94 x 20% = **£89,270.59**

Maximum permitted: £446,352.94 x 25% = £111,588.24 (ok)

Single-life annuity (increasing by lower of 3.0% or RPI)

Balance of fund: £446,352.94 - £89,270.59 = £357,082.35

Annuity bureau charge: £357,082.35 x 0.065% = £232.10

£232.10 charge applies (*as exceeds minimum of £75.00*)

Amount left to purchase an annuity: £357,082.35 - £232.10 = £356,850.25

Member: £356,850.25 / 100 x 8.48 = **£30,260.90 pa**

Spouse: = **N/A**

'LS&DBA' Check (BOTH OPTIONS): £89,270.59 vs £998,100.00 = **OK**

'LSA' Check (BOTH OPTIONS): £89,270.59 vs £193,275.00 = **OK**

Summary Answer

Value of Personal Retirement Fund = £446,352.94

Options

- (1a) Tax-free cash sum of £89,270.59 – [within 'LS&DBA' of £998,100.00 and within 'LSA' of £193,275.00]

PLUS

Single-life annuity (non-increasing) of £36,327.36 pa [*spouse = N/A*] – Annuity Bureau Charge of £232.10

OR

- (1b) Tax-free cash sum of £89,270.59 – [within 'LS&DBA' of £998,100.00 and within 'LSA' of £193,275.00]

PLUS

Single-life annuity (increasing by lower of 3.0% or RPI) of £30,260.90 pa [*spouse = N/A*] – Annuity Bureau Charge of £232.10

OR

- (2) 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

- (3) Open Market Option

Note *Single UFPLS option specifically NOT requested*