

OPQ – Answer

Name SIMON GAWLAS (*Early Ret. from PRS – with transferred-in benefits*)
DOL 07/11/2023
DOR 12/09/2025
DOB 10/08/1965
NPD = SPA (*not relevant for answer*)
TRD 10/08/2027

Contributions (member) £95,990.62
Contributions (employer) £153,585.00
TV (member / employer) £107,445.66

Lifestyle units (member) 61,884.2314
Lifestyle units (employer) 99,014.7702
TV units (member) 38,101.1114 (*Cash*)
TV units (employer) 76,202.2228 (*Cash*)

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

Quotes required (1): £125,000.00 tax-free cash sum (provided this is within HMRC limits)
and 50% joint-life annuity (escalating by lower of 2.5% or RPI)

Quotes required (2): £125,000.00 tax-free cash sum (provided this is within HMRC limits)
and 50% joint-life annuity (escalating by lower of 5.0% or RPI)

Annuity factors: 50% joint-life option (escalating by lower of 2.5% or RPI)
= 5.17 (age 60yrs & 1mth)
 $5.16 + ([5.32 - 5.16] \times 1/12 = 0.1333)$

50% joint-life option (escalating by lower of 5.0% or RPI)
= 4.54 (age 60yrs & 1mth)
 $4.53 + ([4.68 - 4.53] \times 1/12 = 0.0125)$

Lifestyle Details

Last switch date	01/09/2025
TRD	10/08/2027
Full months to TRD	23 months

Lifestyle Splits

Global Equity	38.33%
Index Linked Bond	46.25%
Cash	15.42%

Fund Prices

Global Equity	£3.998
Index Linked Bond	£1.632
Cash	£1.017

Personal Retirement Account

Member

Global Equity	61,884.2314	x 38.33%	= 23,720.2259	x £3.998 =	£94,833.46
Index Linked Bond	61,884.2314	x 46.25%	= 28,621.4570	x £1.632 =	£46,710.22
Cash	61,884.2314	x 15.42%	= 9,542.5485	x £1.017 =	£9,704.77
TOTAL					£151,248.45

Employer

Global Equity	99,014.7702	x 38.33%	= 37,952.3614	x £3.998 =	£151,733.54
Index Linked Bond	99,014.7702	x 46.25%	= 45,794.3312	x £1.632 =	£74,736.35
Cash	99,014.7702	x 15.42%	= 15,268.0776	x £1.017 =	£15,527.63
TOTAL					£241,997.52

Member (TVin)

Cash	38,101.1114	x £1.017 =	£38,748.83
TOTAL			£38,748.83

Employer (TVin)

Cash	76,202.2228	x £1.017 =	£77,497.66
TOTAL			£77,497.66

Total Personal Retirement Account	=	£151,248.45 + £241,997.52	
		+ £38,748.83 + £76,497.66	=
			<u>£509,492.46</u>

OPTION-1a

Tax-free cash sum

Amount required: = **£125,000.00**

Maximum permitted: £509,492.46 x 25% = £127,373.12 (ok)

50% joint-life annuity (increasing by lower of 2.5% or RPI)

Balance of fund: £509,492.46 - £125,000.00 = £384,492.46

Annuity bureau charge: £384,492.46 x 0.065% = £249.92

£249.92 charge applies (as exceeds minimum of £75.00)

Amount left to purchase an annuity: £384,492.46 - £249.92 = £384,242.54

Member: £384,242.54 / 100 x 5.17 = **£19,865.34 pa**

Spouse: £19,865.34 x 50% = **£9,932.67 pa**

OPTION-1b

Tax-free cash sum

Amount required: = **£125,000.00**

Maximum permitted: £508,492.46 x 25% = £127,123.12 (ok)

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

Balance of fund: £508,492.46 - £125,000.00 = £384,492.46

Annuity bureau charge: £384,492.46 x 0.065% = £249.92

£249.92 charge applies (as exceeds minimum of £75.00)

Amount left to purchase an annuity: £384,492.46 - £249.92 = £384,242.54

Member: £384,242.54 / 100 x 4.54 = **£17,444.61 pa**

Spouse: £17,444.61 x 50% = **£8,722.31 pa**

'LS&DBA' Check (BOTH OPTIONS): £125,000.00 vs £1,073,100.00 = **OK**

'LSA' Check (BOTH OPTIONS): £125,000.00 vs £268,275.00 = **OK**

Summary Answer

Value of Personal Retirement Fund = £509,492.46

Options

- (1a) Tax-free cash sum of £125,000.00 – [within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

PLUS

50% joint-life annuity (increasing by lower of 2.5% or RPI) of £19,865.34 pa [*spouse = £9,932.67 pa*] – Annuity Bureau Charge of £249.92

OR

- (1b) Tax-free cash sum of £125,000.00 – [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 £17,444.61 pa [*spouse = £8,722.31 pa*] – Annuity Bureau Charge of £249.92

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*