

OPQ – Answer

Name TREVOR WADE (*Ill Health Ret. from ACT – with AVCs*)
DOR 11/09/2025
DOB 20/02/1966
NPD = SPA (*not relevant for answer*)
TRD 28/02/2031

Contributions (member) £47,480.56
Contributions (employer) £75,968.90
AVCs (member) £28,976.98

Lifestyle units (member) 19,600.8754
Lifestyle units (employer) 31,361.4006
AVC units (member) 10,257.8884

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

Quotes required (1): 25% tax-free cash sum (provided this is within HMRC limits) and single-life annuity (non-escalating)

Quotes required (2): 25% 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 'Uncrystallised Funds Pension Lump Sum' (UFPLS)

Annuity factors: Single-life option (non-escalating)
= 7.40 (age 59yrs & 6mths)
 $7.30 + ([7.50 - 7.30] \times 6/12 = 0.1000)$

Single-life option (escalating by lower of 2.5% or RPI)
= 5.93 (age 59yrs & 6mths)
 $5.83 + ([6.02 - 5.83] \times 6/12 = 0.0950)$

Lifestyle Details

Last switch date	01/09/2025
TRD	28/02/2031
Full months to TRD	66 months

Lifestyle Splits

Global Equity	100.00%
Index Linked Bond	0.00%
Cash	0.00%

Fund Prices

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

Personal Retirement Account

Member

Global Equity	19,600.8754	x	100.00%	=	19,600.8754	x	£3.998	=	£78,364.30
Index Linked Bond	19,600.8754	x	0.00%	=	0.0000	x	£1.632	=	£0.00
Cash	19,600.8754	x	0.00%	=	0.0000	x	£1.017	=	£0.00
TOTAL									£78,364.30

Employer

Global Equity	31,361.4006	x	100.00%	=	19,600.8754	x	£3.998	=	£125,382.88
Index Linked Bond	31,361.4006	x	0.00%	=	0.0000	x	£1.632	=	£0.00
Cash	31,361.4006	x	0.00%	=	0.0000	x	£1.017	=	£0.00
TOTAL									£125,382.88

Employer

Global Equity	10,257.8884	x	100.00%	=	19,600.8754	x	£3.998	=	£41,011.04
Index Linked Bond	10,257.8884	x	0.00%	=	0.0000	x	£1.632	=	£0.00
Cash	10,257.8884	x	0.00%	=	0.0000	x	£1.017	=	£0.00
TOTAL									£41,011.04

Total Personal Retirement Account	=	£78,364.30	+	£125,382.88					
					+	£41,011.04	=	<u>£244,758.22</u>	

OPTION-1a

Tax-free cash sum

Amount required:	$£244,758.22 \times 25\%$	=	<u>£61,189.56</u>
Maximum permitted:	$£244,758.22 \times 25\%$	=	<i>£61,189.56 (ok)</i>

Single-life annuity (non-increasing)

Balance of fund:	$£244,758.22 - £61,189.56$	=	<i>£183,568.66</i>
Annuity bureau charge:	$£183,568.66 \times 0.065\%$	=	<i>£119.32</i>
	£119.32 charge applies (<i>as exceeds minimum of £75.00</i>)		
Amount left to purchase an annuity:	$£183,568.66 - £119.32$	=	<i>£183,449.34</i>
Member:	$£183,449.34 / 100 \times 7.40$	=	<u>£13,575.25 pa</u>

Spouse: = **N/A**

OPTION-1b

Amount required:	$£244,758.22 \times 25\%$	=	<u>£61,189.56</u>
Maximum permitted:	$£244,758.22 \times 25\%$	=	<i>£61,189.56 (ok)</i>

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

Balance of fund:	$£244,758.22 - £61,189.56$	=	<i>£183,568.66</i>
Annuity bureau charge:	$£183,568.66 \times 0.065\%$	=	<i>£119.32</i>
	£119.32 charge applies (<i>as exceeds minimum of £75.00</i>)		
Amount left to purchase an annuity:	$£183,568.66 - £119.32$	=	<i>£183,449.34</i>
Member:	$£183,449.34 / 100 \times 5.93$	=	<u>£10,878.55 pa</u>

Spouse: = **N/A**

'LS&DBA' Check (BOTH OPTIONS): $£61,189.56$ vs $£1,073,100.00$ = **OK**

'LSA' Check (BOTH OPTIONS): $£61,189.56$ vs $£268,275.00$ = **OK**

OPTION-2

UFPLS

Tax-free amount: £244,758.22 x 25% = **£61,189.56**

Taxable at marginal rate: £244,758.22 x 75% = **£183,568.66**

'LS&DBA' Check: £61,189.56 vs £1,073,100.00 = **OK**

'LSA' Check: £61,189.56 vs £268,275.00 = **OK**

Summary Answer

Value of Personal Retirement Fund = £244,758.22

Options

- (1a) Tax-free cash sum of £61,189.56 – [within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

PLUS

Single-life annuity (non-increasing) of £13,575.25 pa [*spouse = N/A*] – Annuity Bureau Charge of £119.32

OR

- (1b) Tax-free cash sum of £61,189.56 – [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 £10,878.55 pa [*spouse = N/A*] – Annuity Bureau Charge of £119.32

OR

- (2) Uncrystallised Funds Pension Lump Sum (UFPLS) of £244,758.22, of which £61,189.56 will be paid tax-free and £183,568.66 (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