**OPQ – Answer**

Name AMY FRAZIER (*Ill Health Ret. from ACT – no special circumstances*)

DOR 15/09/2024

DOB 29/05/1967

NPD = SPA (*not relevant for answer*)

TRD 29/05/2027

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Contributions (member) £56,224.88

Contributions (employer) £89,959.81

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Lifestyle units (member) 26,998.9912

Lifestyle units (employer) 43,198.3859

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Remaining ‘LS&DBA’ £1,073,100.00

Remaining ‘LSA’ £268,275.00

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Quotes required (1): 20% tax-free cash sum (provided this is within HMRC limits) and 50% joint-life annuity (non-escalating)

Quotes required (2): 20% 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): Single ‘Uncrystallised Funds Pension Lump Sum’ (UFPLS)

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Annuity factors: 50% joint-life option (non-escalating)

= 6.26 (age 57yrs & 3mths)

*6.23 + ([6.36 - 6.23] x 3/12 = 0.0325)*

50% joint-life option (escalating by lower of 5.0% or RPI)

= 4.14 (age 57yrs & 3mths)

*4.11 + ([4.24 – 4.11] x 3/12 = 0.0325)*

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**Lifestyle Details**

Last switch date 01/09/2024

TRD 29/05/2027

Full months to TRD 32 months

**Lifestyle Splits**

Global Equity 53.33%

Index Linked Bond 35.00%

Cash 11.67%

**Fund Prices**

Global Equity £3.822

Index Linked Bond £1.598

Cash £1.013

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**Personal Retirement Account**

**Member**

Global Equity 26,998.9912 x 53.33% = 14,398.5620 x £3.822 = £55,031.30

Index Linked Bond 26,998.9912 x 35.00% = 9,449.6469 x £1.598 = £15,100.54

Cash 26,998.9912 x 11.67% = 3,150.7823 x £1.013 = £3,191.74

TOTAL **£73,323.58**

**Employer**

Global Equity 43,198.3859 x 53.33% = 23,037.6992 x £3.822 = £88,050.09

Index Linked Bond 43,198.3859 x 35.00% = 15,119.4351 x £1.598 = £24,160.86

Cash 43,198.3859 x 11.67% = 5,041.2516 x £1.013 = £5,106.79

TOTAL **£117,317.74**

Total Personal Retirement Account **=** £73,323.58 + £117,317.74 = **£190,641.32**

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**OPTION-1a**

**Tax-free cash sum**

**Amount required:** £190,641.32 x 20% = **£38,128.26**

***Maximum permitted:*** *£190,641.32 x 25%* = *£47,660.33 (ok)*

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

**Balance of fund:** £190,641.32 - £38,128.26 =*£152,513.06*

**Annuity bureau charge:** £152,513.06 x 0.065% = £99.13

**£99.13** charge applies (*as exceeds minimum of £75.00*)

**Amount left to purchase an annuity:** £152,513.06 - £99.13 =*£152,413.93*

**Member:** £152,413.93 / 100 x 6.26 = **£9,541.11 pa**

**Spouse:** £9,541.11 x 50% = ***£4,770.56 pa***

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**OPTION-1b**

**Tax-free cash sum**

**Amount required:** £190,641.32 x 20% = **£38,128.26**

***Maximum permitted:*** *£190,641.32 x 25%* = *£47,660.33 (ok)*

**Joint-life annuity (increasing by lower of 5.0% or RPI)**

**Balance of fund:** £190,641.32 - £38,128.26 =*£152,513.06*

**Annuity bureau charge:** £152,513.06 x 0.065% = £99.13

**£99.13** charge applies (*as exceeds minimum of £75.00*)

**Amount left to purchase an annuity:** £152,513.06 - £99.13 =*£152,413.93*

**Member:** £152,413.93 / 100 x 4.14 = **£6,309.94 pa**

**Spouse:** £6,309.94 x 50% = ***£3,154.97 pa***

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***‘LS&DBA’ Check (BOTH OPTIONS):*** £38,128.26 vs £1,073,100.00 = **OK**

***‘LSA’ Check (BOTH OPTIONS):*** £38,128.26 vs £268,275.00 = **OK**

**OPTION-2**

**UFPLS**

**Tax-free amount:** £190,641.32 x 25% = **£47,660.33**

**Taxable at marginal rate:** £190,641.32 x 75% = **£142,980.99**

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***‘LS&DBA’ Check:*** £47,660.33 vs £1,073,100.00 = **OK**

***‘LSA’ Check:*** £47,660.33 vs £268,275.00 = **OK**

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**Summary Answer**

Value of Personal Retirement Fund = £190,641.32

Options

(1a) Tax-free cash sum of £38,128.26 – [within ‘LS&DBA’ of £1,073,100.00 and within ‘LSA’ of £268,275.00]

**PLUS**

50% joint-life annuity (non-increasing) of £9,541.11 pa [*spouse = £4,770.56 pa*] – Annuity Bureau Charge of £99.13

***OR***

(1b) Tax-free cash sum of £38,128.26 – [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 £6,309.94 pa [*spouse = £3,154.97 pa*] – Annuity Bureau Charge of £99.13

***OR***

1. Uncrystallised Funds Pension Lump Sum (UFPLS) of £190,641.32, of which £47,660.33 will be paid tax-free and £142,980.99 (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***

1. 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***

1. Open Market Option