**OPQ – Answer**

Name MICHELLE LISTON (*Normal Ret. from ACT – with AVCs*)

DOR 13/09/2024

DOB 13/09/1958

NPD = SPA (*not relevant for answer*)

TRD 31/08/2026

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Contributions (member) £48,406.90

Contributions (employer) £77,451.04

AVCs (member) £39,220.67

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Lifestyle units (member) 28,226.0006

Lifestyle units (employer) 45,161.6010

Units (AVCs) 18,118.2929 (*Corporate Bond*)

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Remaining ‘LS&DBA’ £1,073,100.00

Remaining ‘LSA’ £268,275.00

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Quotes required (1): £55,250.00 tax-free cash sum (provided this is within HMRC limits) and single-life annuity (non-escalating)

Quotes required (2): £55,250.00 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-life annuity (non-escalating)

Quotes required (4): Single-life annuity (escalating by lower of 2.5% or RPI)

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

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Annuity factors: Single-life option (non-escalating)

= 9.00 (age 66yrs & 0mths)

Single-life option (escalating by lower of 2.5% or RPI)

= 7.56 (age 66yrs & 0mths)

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**Lifestyle Details**

Last switch date 01/09/2024

TRD 31/08/2026

Full months to TRD 24 months

**Lifestyle Splits**

Global Equity 40.00%

Index Linked Bond 45.00%

Cash 15.00%

**Fund Prices**

Global Equity £3.822

Index Linked Bond £1.598

Cash £1.013

Corporate Bond £2.732

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**Personal Retirement Account**

**Member**

Global Equity 28,226.0006 x 40.00% = 11,290.4002 x £3.822 = £43,151.91

Index Linked Bond 28,226.0006 x 45.00% = 12,701.7003 x £1.598 = £20,297.32

Cash 28,226.0006 x 15.00% = 4,233.9001 x £1.013 = £4,288.94

TOTAL **£67,738.17**

**Employer**

Global Equity 45,161.6010 x 40.00% = 18,064.6404 x £3.822 = £69,043.06

Index Linked Bond 45,161.6010 x 45.00% = 20,322.7205 x £1.598 = £32,475.71

Cash 45,161.6010 x 15.00% = 6,774.2402 x £1.013 = £6,862.31

TOTAL **£108,381.08**

**AVCs**

Corporate Bond 18,118.2929 x £2.732 = £49,499.18

TOTAL **£49,499.18**

Total Personal Retirement Account **=** £67,738.17 + £108,381.08

+ £49,499.18 = **£225,618.43**

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**OPTION-1a**

**Tax-free cash sum**

**Amount required:**  = **£55,250.00**

***Maximum permitted:*** *£225,618.43 x 25% = £56,4040.61 (ok)*

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

**Balance of fund:** £225,618.43 - £55,250.00 =*£170,368.43*

**Annuity bureau charge:** £170,368.43 x 0.065% = £110.74

**£110.74** charge applies (*as exceeds minimum of £75.00*)

**Amount left to purchase an annuity:** £170,368.43 - £110.74 =*£170,257.69*

**Member:** £170,257.69 / 100 x 9.00 = **£15,323.19 pa**

**Spouse:**  = ***N/A***

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**OPTION-1b**

**Tax-free cash sum**

**Amount required: = £55,250.00**

***Maximum permitted:*** *£225,618.43 x 25% = £56,4040.61 (ok)*

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

**Balance of fund:** £225,618.43 - £55,250.00 =*£170,368.43*

**Annuity bureau charge:** £170,368.43 x 0.065% = £110.74

**£110.74** charge applies (*as exceeds minimum of £75.00*)

**Amount left to purchase an annuity:** £170,368.43 - £110.74 =*£170,257.69*

**Member:** £170,257.69 / 100 x 7.56 = **£12,871.48 pa**

**Spouse:**  = ***N/A***

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***‘LS&DBA’ Check (BOTH OPTIONS):*** £55,250.00 vs £1,073,100.00 = **OK**

***‘LSA’ Check (BOTH OPTIONS):*** £55,250.00 vs £268,275.00 = **OK**

**OPTION-1c**

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

**Balance of fund:**  =*£225,618.43*

**Annuity bureau charge:** £225,618.43 x 0.065% = £146.65

**£146.65** charge applies (*as exceeds minimum of £75.00*)

**Amount left to purchase an annuity:** £225,618.43 - £146.65 =*£225,471.78*

**Member:** £225,471.78 / 100 x 9.00 = **£20,292.46 pa**

**Spouse:** = ***N/A***

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**OPTION-1d**

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

**Balance of fund:**  =*£225,618.43*

**Annuity bureau charge:** £225,618.43 x 0.065% = £146.65

**£146.65** charge applies (*as exceeds minimum of £75.00*)

**Amount left to purchase an annuity:** £225,618.43 - £146.65 =*£225,471.78*

**Member:** £225,471.78 / 100 x 7.56 = **£17,045.67 pa**

**Spouse:** = ***N/A***

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

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

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**OPTION-2**

**UFPLS**

**Tax-free amount:** £225,618.43 x 25% = **£56,404.61**

**Taxable at marginal rate:** £225,618.43 x 75% = **£169,213.82**

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***‘LS&DBA’ Check:*** £56,404.61 vs £1,073,100.00 = **OK**

***‘LSA’ Check:*** £56,404.61 vs £268,275.00 = **OK**

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**Summary Answer**

Value of Personal Retirement Fund = £225,618.43

Options

(1a) Tax-free cash sum of £55,250.00 – [within ‘LS&DBA’ of £1,073,100.00 and within ‘LSA’ of £268,275.00]

**PLUS**

Single-life annuity (non-increasing) of £15,323.19 pa [*spouse = N/A*] – Annuity Bureau Charge of £110.74

***OR***

(1b) Tax-free cash sum of £55,250.00 – [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 £12,871.48 pa [*spouse = N/A*] – Annuity Bureau Charge of £110.74

***OR***

(1c) Single-life annuity (non-increasing) of £20,292.46 pa [*spouse = N/A*] – Annuity Bureau Charge of £146.65

***OR***

(1d) Single-life annuity (increasing by lower of 2.5% or RPI) of £17,045.67 pa [*spouse = N/A*] – Annuity Bureau Charge of £146.65

***OR***

1. Uncrystallised Funds Pension Lump Sum (UFPLS) of £225,618.43, of which £56,404.61 will be paid tax-free and £169,213.82 (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