**OPQ – Answer**

Name RICARDO HOLMES (*Early Ret. from ACT – with transferred-in benefits*)

DOR 18/09/2024

DOB 16/12/1966

NPD = SPA (*not relevant for answer*)

TRD N/A

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Contributions (member) £85,801.99

Contributions (employer) £137,283.18

TV (member / employer) £131,388.62

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Units (member) 19,567.9996 (*Balanced*)

Units (member) 11,333.8131 (*Corporate Bond*)

Units (employer) 31,308.7994 (*Balanced*)

Units (employer) 18,134.1010 (*Corporate Bond*)

TV units (member) 53,817.3716 (*Index Linked Bond*)

TV units (employer) 53,817.3716 (*Index Linked Bond*)

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Remaining ‘LS&DBA’ £1,073,100.00

Remaining ‘LSA’ £268,275.00

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Quotes required (1): 25% tax-free cash sum (provided this is within HMRC limits) and 50% joint-life annuity (non-escalating)

Quotes required (2): 25% tax-free cash sum (provided this is within HMRC limits) and 50% joint-life annuity (escalating by lower of 5.0% or RPI)

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

 = 6.33 (age 57yrs & 9mths)

 *6.23 + ([6.36 - 6.23] x 9/12 = 0.0975)*

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

 = 4.21 (age 57yrs & 9mths)

 *4.11 + ([4.24 – 4.11] x 9/12 = 0.0975)*

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**Fund Prices**

Balanced £4.888

Corporate Bond £2.732

Index Linked Bond £1.598

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**Personal Retirement Account**

**Member**

Balanced 19,567.9996 x £4.888 = £95,648.38

Corporate Bond 11,333.8131 x £2.732 = £30,963.98

TOTAL **£126,612.36**

**Employer**

Balanced 31,308.7994 x £4.888 = £153,037.41

Corporate Bond 18,134.1010 x £2.732 = £49,542.36

TOTAL **£202,579.77**

**Member (TVin)**

Index Linked Bond 53,817.3716 x £1.598 = £86,000.16

TOTAL **£86,000.16**

**Employer (TVin)**

Index Linked Bond 53,817.3716 x £1.598 = £86,000.16

TOTAL **£86,000.16**

Total Personal Retirement Account **=** £126,612.36 + £202,579.77

 + £86,000.16 + £86,000.16 = **£501,192.45**

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**OPTION-1a**

**Tax-free cash sum**

**Amount required:** £501,192.45 x 25% = **£125,298.11**

***Maximum permitted:*** *£501,192.45 x 25%* = *£125,298.11 (ok)*

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

**Balance of fund:** £501,192.45 - £125,298.11 =*£375,894.34*

**Annuity bureau charge:** £375,894.34 x 0.065% = £244.33

 **£244.33** charge applies (*as exceeds minimum of £75.00*)

**Amount left to purchase an annuity:** £375,894.34 - £244.33 =*£375,650.01*

**Member:** £375,650.01 / 100 x 6.33 = **£23,778.65 pa**

**Spouse:** £23,778.65 x 50% = ***£11,889.33 pa***

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**OPTION-1b**

**Tax-free cash sum**

**Amount required:** £501,192.45 x 25% = **£125,298.11**

***Maximum permitted:*** *£501,192.45 x 25%* = *£125,298.11 (ok)*

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

**Balance of fund:** £501,192.45 - £125,298.11 =*£375,894.34*

**Annuity bureau charge:** £375,894.34 x 0.065% = £244.33

 **£244.33** charge applies (*as exceeds minimum of £75.00*)

**Amount left to purchase an annuity:** £375,894.34 - £244.33 =*£375,650.01*

**Member:** £375,650.01 / 100 x 4.21 = **£15,814.87 pa**

**Spouse:** £15,814.87 x 50% = ***£7,907.44 pa***

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***‘LS&DBA’ Check (BOTH OPTIONS):*** £125,298.11 vs £1,073,100.00 = **OK**

***‘LSA’ Check (BOTH OPTIONS):*** £125,298.11 vs £268,275.00 = **OK**

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**Summary Answer**

Value of Personal Retirement Fund = £501,192.45

Options

(1a) Tax-free cash sum of £125,298.11 – [within ‘LS&DBA’ of £1,073,100.00 and within ‘LSA’ of £268,275.00]

# PLUS

50% joint-life annuity (non-increasing) of £23,778.65 pa [*spouse = £11,889.33 pa*] – Annuity Bureau Charge of £244.33

## OR

(1b) Tax-free cash sum of £125,298.11 – [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 £15,814.87 pa [*spouse = £7,907.44 pa*] – Annuity Bureau Charge of £244.33

## 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

**Note** *Single UFPLS option specifically NOT requested*