

OPQ – Answer

Name REBECCA ASHE (*Ill Health Ret. from ACT – no spec. circumstances*)
DOR 14/09/2026
DOB 23/01/1970
NPD = SPA (*not relevant for answer*)
TRD 31/01/2035

Contributions (member) £29,467.60
Contributions (employer) £47,148.16

Lifestyle units (member) 12,045.8820
Lifestyle units (employer) 19,273.4112

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

Quotes required (1): 15% tax-free cash sum (provided this is within HMRC limits) and
50% joint-life annuity (non-escalating)

Quotes required (2): 15% tax-free cash sum (provided this is within HMRC limits) and
50% joint-life annuity (escalating by lower of 3.0% or RPI)

Quotes required (3): Single 'Uncrystallised Funds Pension Lump Sum' (UFPLS)

Annuity factors:
50% joint-life option (non-escalating)
= 6.18 (age 56yrs & 7mths)
 $6.12 + [(6.23 - 6.12) \times 7/12 = 0.06417]$

50% joint-life option (escalating by lower of 3.0% or RPI)
= 4.43 (age 56yrs & 7mths)
 $4.36 + [(4.48 - 4.36) \times 7/12 = 0.07000]$

Lifestyle Details

Last switch date	01/09/2026
TRD	31/01/2035
Full months to TRD	101 months

Lifestyle Splits

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

Fund Prices

Global Equity	£3.911
Index Linked Bond	£1.604
Cash	£1.015

Personal Retirement Account

Member

Global Equity	12,045.8820	x 100.00%	= 12,045.8820	x £3.911	=	£47,111.44
Index Linked Bond	12,045.8820	x 0.00%	= 0.0000	x £1.604	=	£0.00
Cash	12,045.8820	x 0.00%	= 0.0000	x £1.015	=	£0.00
TOTAL						£47,111.44

Employer

Global Equity	19,273.4112	x 100.00%	= 19,273.4112	x £3.911	=	£75,378.31
Index Linked Bond	19,273.4112	x 0.00%	= 0.0000	x £1.604	=	£0.00
Cash	19,273.4112	x 0.00%	= 0.0000	x £1.015	=	£0.00
TOTAL						£75,378.31

Total Personal Retirement Account = £47,111.44 + £75,378.31 = **£122,489.75**

OPTION-1a

Tax-free cash sum

Amount required: £122,489.75 x 15% = **£18,373.46**

Maximum permitted: £122,489.75 x 25% = £30,622.44 (ok)

50% joint-life annuity (non-increasing)

Balance of fund: £122,489.75 - £18,373.46 = £104,116.29

Annuity bureau charge: £104,116.29 x 0.065% = £67.68

£75.00 charge applies (as higher than £67.68)

Amount left to purchase an annuity:	$£104,116.29 - £75.00$	=	<i>£104,041.29</i>
Member:	$£104,041.29 / 100 \times 6.18$	=	<u>£6,429.75 pa</u>
Spouse:	$£6,429.75 \times 50\%$	=	<u>£3,214.88 pa</u>

OPTION-1b

Tax-free cash sum

Amount required:	$£122,489.75 \times 15\%$	=	<u>£18,373.46</u>
Maximum permitted:	$£122,489.75 \times 25\%$	=	<i>£30,622.44 (ok)</i>

Joint-life annuity (increasing by lower of 3.0% or RPI)

Balance of fund:	$£122,489.75 - £18,373.46$	=	<i>£104,116.29</i>
Annuity bureau charge:	$£104,116.29 \times 0.065\%$	=	<i>£67.68</i>

£75.00 charge applies (*as higher than £67.68*)

Amount left to purchase an annuity:	$£104,116.29 - £75.00$	=	<i>£104,041.29</i>
Member:	$£104,041.29 / 100 \times 4.43$	=	<u>£4,609.03 pa</u>
Spouse:	$£4,609.03 \times 50\%$	=	<u>£2,304.52 pa</u>

'LS&DBA' Check (BOTH OPTIONS):	$£18,373.46$ vs $£1,073,100.00$	=	OK
'LSA' Check (BOTH OPTIONS):	$£18,373.46$ vs $£268,275.00$	=	OK

OPTION-2

UFPLS

Tax-free amount:	$£122,489.75 \times 25\%$	=	<u>£30,622.44</u>
Taxable at marginal rate:	$£122,489.75 \times 75\%$	=	<u>£91,867.31</u>

'LS&DBA' Check:	$£30,622.44$ vs $£1,073,100.00$	=	OK
'LSA' Check:	$£30,622.44$ vs $£268,275.00$	=	OK

Summary Answer

Value of Personal Retirement Fund = £122,489.75

Options

- (1a) Tax-free cash sum of £18,373.46 – [within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

PLUS

50% joint-life annuity (non-increasing) of £6,429.75 pa [*spouse = £3,214.88 pa*] – Annuity Bureau Charge of £75.00

OR

- (1b) Tax-free cash sum of £18,373.46 – [within 'LS&DBA' of £1,073,100.00 and within 'LSA' of £268,275.00]

PLUS

50% joint-life annuity (increasing by lower of 3.0% or RPI) of £4,609.03 pa [*spouse = £2,304.52 pa*] – Annuity Bureau Charge of £75.00

OR

- (2) Uncrystallised Funds Pension Lump Sum (UFPLS) of £122,489.75, of which £30,622.44 will be paid tax-free and £91,867.31 (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