# WORKED ANSWER OPQ PLAN PRESERVED TO NORMAL RETIREMENT DIRK NOPPERT

Date of birth: 11/09/1957

Date of retirement: 11/09/2023

Age at date of retirement: 66 years & 0 months

Normal retirement age: = SPA

Type of retirement: Normal retirement (from preserved)

Lifestyle fund: N/A

Target retirement date (TRD): N/A

Quotes required (1): £30,000.00 of fund as tax-free cash sum plus 50% joint life annuity options for non-increasing and increasing annually at the lower of RPI / 2.5%

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

Annuity factors: Joint life annuity (age 66yrs & 0mths, non-increasing) = 7.70

Joint life annuity (age 66yrs & 0mths, increasing annually at the lower of RPI / 2.5%) = 6.27

**Member’s normal contributions (value of unit holdings):**

Global Equity Fund 3,298.6555 x £3.941 = £13,000.00

Corporate Bond Fund 9,888.6555 x £2.928 = £28,952.74

Cash Fund 9,780.5190 x £1.012 = £9,897.89

Total **£51,850.63**

**Employer’s normal contributions (value of unit holdings):**

Global Equity Fund 5,277.8488 x £3.941 = £20,800.00

Corporate Bond Fund 15,821.1718 x £2.928 = £46,324.39

Cash Fund 15,648.8304 x £1.012 = £15,836.62

Total **£82,961.01**

**Total Personal Retirement Account**

Total Value £51,850.63 + £82,961.01 = **£134,811.64**

**OPTION-1a**

**Tax-free cash sum**

**Amount required:**  **£30,000.00**

***Maximum permitted:*** *£134,811.64 x 25% = £33,702.91 (ok)*

**Jointlife annuity (non-increasing)**

**Balance of fund:** £134,811.64 - £30,000.00 =*£104,811.64*

**Annuity bureau charge:** £104,811.64 x 0.065% = £68.13

**£75.00** minimum charge applies (*as exceeds £68.13*)

**Amount left to purchase an annuity:** £104,811.64 - £75.00 =*£104,736.64*

**Member:** £104,736.64 / 100 x 7.70 = **£8,064.72 p.a.**

**Spouse:** £8,064.72 x 50% = ***£4,032.36 p.a.***

**OPTION-1b**

**Tax-free cash sum**

**Amount required:** **£30,000.00**

***Maximum permitted:*** *£134,811.64 x 25% = £33,702.91 (ok)*

**Jointlife annuity (increasing at the lower of RPI / 2.5%)**

**Balance of fund:** £134,811.64 - £30,000.00 =*£104,811.64*

**Annuity bureau charge:** £104,811.64 x 0.065% = £68.13

**£75.00** minimum charge applies (*as exceeds £68.13*)

**Amount left to purchase an annuity:** £104,811.64 - £75.00 =*£104,736.64*

**Member:** £104,736.64 / 100 x 6.27 = **£6,566.99 p.a.**

**Spouse:** £6,566.99 x 50% = ***£3,283.50 p.a.***

***Lifetime Allowance Check (BOTH OPTIONS)***

**Tax-free cash sum:** £30,000.00 / £1,073,100.00 x 100% = **2.79%**

**Annuity:** £104,811.64 / £1,073,100.00 x 100% = **9.76%**

*The total LTA of 12.55% (2.79% + 9.76%) is within the member’s LTA balance of 91.41%*

**OPTION-2**

**UFPLS**

**Tax-free amount:** £134,811.64 x 25% = **£33,702.91**

**Taxable at marginal rate:** £134,811.64 x 75% = **£101,108.73**

***Lifetime Allowance Check***

**UFPLS:** £134,811.64 / £1,073,100.00 x 100% = **12.56%**

*The total LTA of 12.56% is within the member’s LTA balance of 91.41%*

**Summary Answer**

Value of Personal Retirement Fund = £134,811.64

Options

1. Tax-free cash sum of £30,000.00 – [LTA used = 2.79%]

# PLUS

50% joint life annuity (non-increasing) of £8,064.72 p.a. [*spouse = £4,032.36 p.a.*] – [LTA used = 9.76%] – Annuity Bureau Charge of £75.00

## OR

1. Tax-free cash sum of £30,000.00 – [LTA used = 2.79%]

# PLUS

50% joint life annuity (increasing at lower of RPI / 2.5%) of £6,566.99 p.a. [*spouse = £3,283.50 p.a.*] – [LTA used = 9.76%] – Annuity Bureau Charge of £75.00

## OR

1. Uncrystallised Funds Pension Lump Sum (UFPLS) of £134,811.64, of which £33,702.91 will be paid tax-free and £101,108.73 (taxable element) will be paid assuming an emergency code on a month 1 basis – [LTA used = 12.56%]

***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