

Income Drawdown vs. Annuity Report



CLIENT NAME: Lucy Smith

Client Ref: LS000811

ADVISER NAME: Claire Banner

REPORT PRINT DATE: 07/09/2011

CALCULATION DATE: 02/08/2011

Client Name: Lucy Smith
Adviser Name: Claire Banner
Case Reference: 217820

Notes & Assumptions

- This illustration is a guide only and does not replace the type A /B critical yield illustration issued by the plan provider.
- This illustration is based on the charges applicable to the Hornbuckle Mitchell FIPP Drawdown plan specified however the cost of the Annuity to be purchased at the age(s) shown is based on standard assumptions as laid down by the FSA, the estimated growth required may not mirror that projected by Hornbuckle Mitchell FIPP.
- The analysis takes into account the current charging structure of the Hornbuckle Mitchell FIPP which may be subject to change.
- The annuity that can be purchased will depend upon the actual growth in your selected plan.
- The actual transfer value received may be higher or lower than that shown due to investment fluctuations between the calculation date of this analysis and completion of a transfer.
- The figures illustrated for the plan considered assume that investment will be with the provider's standard default fund and charges unless otherwise specified.
- The level of drawdown is assumed to increase at the same rate as the annuity in order to create the appropriate critical yield; however it may not in practice be possible to achieve this.

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This report has been based on the following information. Please make it known any part of this information that is incorrect as it may affect the result of this analysis.

Personal Information

Name	Mrs Lucy Smith
Date of Birth	28/07/1966
Calculation Date	02/08/2011
Proposed Retirement Age(s)	65 75

Existing Plan

Plan Name
XYZ Pension Company Personal Pension
Transfer Value
£78,000
Transfer Value Net of Pension Commencement Lump Sum
£58,500

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Quotation - XYZ Pension Company Annuity From Net Transfer Value - £58,500

Annuity Type	Single Life		
Indexation	RPI		
Full Pension Guarantee Period	0 Years		
Payment Frequency	Monthly		
Initial Annuity (Quote 1)	£2,983		
Projected Annuity	65	70	75
	£4,988	£5,644	£6,386

Annuity vs. Drawdown Comparison

Proposed Provider	Hornbuckle Mitchell		
Plan Name	FIPP		
Critical Yield to Ages	65	70	75
Annuity (Quote 1)	11.06%	10.27%	10.01%

This analysis estimates the growth that would be required (critical yield) in the pension fund to enable an annuity to be purchased at the stated ages. The analysis also assumes that drawdown is taken in line with that which would have been received from the annuity if purchased now.

Standard Charges

Hornbuckle Mitchell FIPP (None Specified)	
Single Premium Initial Commission	3%
Establishment Fee	£295 + VAT
Annual Fee	£490 + VAT
Investment Charge	0.5% pa

The value of these standard plan charges may vary depending on the size of the fund or investment, and are based on an assumed investment fund and the level of commission (if any) which will normally be taken. If other funds or level of commission are selected the results of the analysis would be different.

Adviser Commission

Initial 3% Fund Based 0%

The cost of commission is included in the charges listed above.

Plan Features

It has been assumed the following features are available within this product:-

Phased Drawdown Available

Part of the client's pension fund may be crystallised to provide an income, which may be a combination of tax free cash and drawdown income. As and when further income is required, additional funds can be crystallised to provide this.

Capped Drawdown Available

Capped Drawdown will be limited to 100% of the GAD rate and is reviewed 3 yearly up to the age of 75, annually thereafter.

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RECORD OF DATA INPUT

Client Details	
Client Ref	LS000811
Title	Mrs
ForeName	Lucy
Middle Initial	
Surname	Smith
Sex	Female
Date of Birth	28/07/1966
Employment status	Employed
Marital Status:	Married
Spouse/Civil Partners Date of Birth:	14/04/1963
Health Status:	Normal
Any Dependents:	Yes
Any Dependant Notes:	3 Children
Attitude To Risk:	Medium
Enhanced/Primary Protection:	None
Notes:	

Plan to be Crystallised	
Plan Name:	XYZ Pension Company Personal Pension
Transfer Value:	£78,000
Pension Commencement Lump Sum:	£19,500
Ages:	65 65 75
Calculation Date:	02/08/2011

Annuity 1	
Provider:	XYZ Pension Company
Type of Annuity:	Single Life
Indexation:	RPI
Full Pension Guarantee Period:	0 Years
Annuity per Annum:	2983.5
Payment Frequency:	Monthly