

# Retirement Planning Report

*Client Name: John Smith*

**ADVISER NAME: Test Case**

Report Print Date 13/07/2009

Calculation Date 15/02/2009

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Case Reference: 49602

## Retirement Planning Report

### Introduction

The purpose of this report is to provide a summary of your overall retirement provision. The information within the report is based solely on the data input by your adviser.

The report will provide a detailed summary of any pension benefits and investment entitlements that you have accrued to date, depending on the types of plans you have.

The report will in effect calculate the value of your entitlement at your selected retirement age and calculate any shortfall between your current provision and your estimated final earnings or targeted provision. As the analysis is 'In Today's Terms' your estimated final salary is assumed not to have increased.

### Personal Information

<b>Name</b>	Mr John Smith
<b>Date of Birth</b>	10/07/1950
<b>Sex</b>	Male
<b>Marital Status</b>	Married
<b>Spouse's Date of Birth</b>	12/10/1952
<b>Employment</b>	Employed
<b>Current Earnings</b>	£120,000
<b>Target Income (At Age 65)</b>	£0 In Today's Terms (equates to 0% of Final Estimated Earnings)

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## Existing Pension Benefit(s)

### Personal Pension(s)

Provider	Pension Type	Fund	Valuation Date	Regular Contributions
<b>ABC Pension</b>	Personal Pension	£354,327.00	01/02/2009	Personal £1000 Monthly Indexation 0%
Assumed Annual Management Charge 1%		Plan Retirement Age is 65		

### Occupational Pension(s)

Provider	Pension Type	Fund/ Pension	Valuation Date	Regular Contributions
<b>FGR Staff Pension</b>	Defined Contribution	£1,200,900.00	15/01/2009	N/A
Assumed Annual Management Charge: 1% Per Annum		Plan Retirement Age is 65		
<b>Smith &amp; Co RBS</b>	Defined Benefit (Excess)	£6,250.00 per annum	02/04/1985	Early/Late Retirement Factor: N/A
Revaluation in Deferment: 2.5		Increase in Payment: RPI		

### Crystallised Benefit(s)

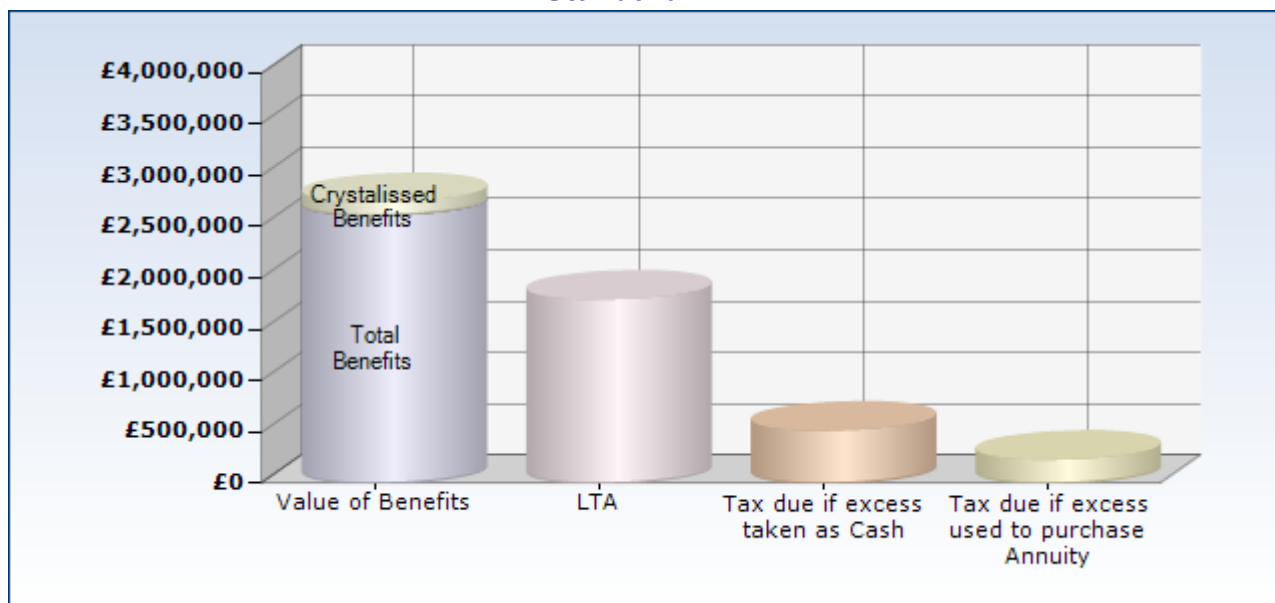
Provider	Pension Type	Benefit	Fund	Valuation Date
<b>Prudential</b>	Annuity		N/A	01/02/2009
Annual Increase in Payment at RPI		Month of Increase is January		
<b>L&amp;G</b>	Drawdown		£34,657.00	15/02/2009
Assumed Annual Management Charge: 1% Per Annum				

## Lifetime Limit Analysis

Benefits at 'A Day'		
Standard Lifetime Limit	£	1,500,000.00
Crystallised Benefits	£	75,650.00
<b>Balance of Lifetime Limit</b>	<b>£</b>	<b>1,424,350.00</b>
Defined Benefit Pensions	£	210,000.00
Defined Contribution Pension Funds	£	1,489,830.00
<b>Total Benefit Value</b>	<b>£</b>	<b>1,699,830.00</b>
Benefit Value in Excess of IR Maximum [To qualify for Enhanced Protection the excess would have to be returned to the scheme]	£	250,000.00
Value of Benefits Qualifying for Primary Protection	£	1,525,480.00
Value of Benefits Qualifying for Enhanced Protection	£	1,525,480.00

Benefits at age 65		
Standard Lifetime Limit	£	1,800,000.00
Crystallised Benefits	£	133,061.63
<b>Balance of Lifetime Limit</b>	<b>£</b>	<b>1,666,938.37</b>
Defined Benefit Pensions	£	262,195.95
Defined Contribution Pension Funds	£	2,353,213.93
<b>Total Benefit Value</b>	<b>£</b>	<b>2,615,409.88</b>
Benefit Value Above / Below Lifetime Limit	£	948,471.51
Tax Due if Excess Taken as Cash	£	521,659.33
Tax Due if Excess Taken as Annuity	£	237,117.88

### Standard LTA



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<b>Benefits at age 65</b>			
		<b>Primary</b>	<b>Enhanced</b>
Lifetime Limit with Protection	£	1,830,576.00 £	N/A
Crystallised Benefits	£	133,061.63 £	N/A
<b>Balance of Lifetime Limit</b>	<b>£</b>	<b>1,697,514.37 £</b>	<b>N/A</b>
Defined Benefit Pensions	£	262,195.95 £	N/A
Defined Contribution Pension Funds	£	2,353,213.93 £	N/A
<b>Total Benefit Value</b>	<b>£</b>	<b>2,615,409.88 £</b>	<b>N/A</b>
Benefit Value Above / Below Lifetime Limit	£	917,895.51 £	N/A
Tax Due if Excess Taken as Cash	£	504,842.53 £	N/A
Tax Due if Excess Taken as Annuity	£	229,473.88 £	N/A

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## Lifetime Limit Analysis

This analysis is based on the following assumptions:

Values are expressed in Monetary Terms i.e. no allowance made for inflation

Earnings will increase in line with National Average Earnings (NAE)

Money Purchase pension funds will grow at 7%pa

When contributions are expressed as a percentage of earnings the National Average Earnings index (NAE) will be applied. It is assumed that this will be 3% below the illustrative growth rate i.e. when growth is shown as 7% the indexation will be 4%.

Retail Price Index (RPI) is assumed to be 4.5% below the illustrative growth rate i.e. when growth is shown as 7% the indexation will be 2.5%.

The Lifetime Limit & Annual Allowance will increase in line with RPI from 2015/16.

The projected fund values are based on an assumed 1% annual management charge unless otherwise stated.

Notes on the Lifetime Limit and Annual Allowance:

Pension Simplification legislation created new limits for the maximum benefits that may be accrued and contributions that may be subject to income tax relief.

The new rules came into effect on 06/04/2006 known as 'A Day'

Benefits in excess of the limit may be subject to a tax charge of 25% if taken as income or 55% when taken as cash.

The Lifetime Limit in 2006/7 was £1.5m, for 2008/9 it is £1.65m & will be £1.8m in 2010/11 and remain until 2015/16. The future increase if any is yet to be announced.

The Annual Allowance for contributions in 2006/7 was £215,000, for 2008/9 it is £235,000 & will be £255,000 in 2010/11 and remain until 2015/16. The future increase if any is yet to be announced. The maximum is further restricted to 100% of annual earnings or £3,600 if lower.

For the purpose of accessing the value of Defined Benefit schemes the pension is multiplied by 20, for annuities in payment the factor is 25, Income withdrawal plans are deemed to be 25 times the maximum allowed at last review.

The maximum Tax Free Cash from all schemes is now 25% although not all schemes have changed their rules to allow this, a higher value may be available where the TFC available under the old rules is greater on pre 'A Day' accrual.

Primary & Enhanced Protection

The value of benefits at 'A Day' is tested against the pre simplification I R maximums and any excess does not qualify for protection, in order to gain Enhanced protection any excess would need to be taken back by the scheme which is not always possible.