

Lifetime Allowance Calculation Form

Classification of benefit type and pension value calculation

BENEFITS YOU STARTED TO RECEIVE BEFORE 6 APRIL 2006 ARE VALUED AS FOLLOWS:

| Type of benefit | How to value |
|---|---|
| <ul style="list-style-type: none"> Pensions and annuities Income drawdown | <ul style="list-style-type: none"> Multiply the current gross annual pension by 25 Multiply the current maximum annual income by 25 |

BENEFITS YOU STARTED TO RECEIVE ON OR AFTER 6 APRIL 2006 ARE VALUED AS FOLLOWS:

| Type of benefit | How to value |
|--|---|
| <p>This includes:</p> <ul style="list-style-type: none"> Tax-free cash Pensions and annuities Income drawdown Also includes any transfer to a Qualifying Recognised Overseas Pension Scheme (QROPS) you may have made since 6 April 2006 | <ol style="list-style-type: none"> Take the percentage of Lifetime Allowance shown on the Lifetime Allowance (LTA) Certificate or statement your pension provider gave you Convert back into a monetary amount of the current Lifetime Allowance. (This may be different to when you took out the benefit.) |

BENEFITS IN OTHER PLANS YOU ARE GOING TO TAKE AT OR AROUND THE SAME TIME:

| Type of benefit | How to value |
|--|--|
| <p>Tax-free lump sum</p> <ul style="list-style-type: none"> From defined benefit pension arrangement From a pension or drawdown from a money purchase scheme | <p>The amount of lump sum</p> <ul style="list-style-type: none"> Multiply the gross annual pension by 20 The purchase price of the annuity or the value of the funds going into drawdown |

Worked example

PRIVATE (NON-STATE) PENSION ALREADY IN PAYMENT AT 6 APRIL 2006

| Scheme name | Yearly pension in payment | Calculation | Pension benefit value |
|--------------------|---------------------------|-------------|-----------------------|
| ABC Pension Scheme | £240 (A) | A x 25 | £6,000 (B) |

PRIVATE (NON-SCHEME) PENSION TAKEN ON OR AFTER 6 APRIL 2006

| Scheme name | % Lifetime Allowance | Calculation | Pension benefit value |
|--------------------|----------------------|--|-----------------------|
| DEF Pension Scheme | 10% (C) | C x £1,030,000 (current Lifetime Allowance) | £100,000 (D) |

PRIVATE (NON-STATE) FINAL SALARY (DEFINED BENEFIT) PENSION WHICH IS ABOUT TO BE TAKEN

| Scheme name | Estimated yearly pension | Calculation | Pension benefit value |
|--------------------|--------------------------|-------------|-----------------------|
| XYZ Pension Scheme | £150 (E) | E x 20 | £3,000 (F) |

PRIVATE (NON-SCHEME) MONEY PURCHASE PENSION WHERE BENEFITS ARE ABOUT TO BE TAKEN

| Scheme name | Current pension value | Pension benefit value |
|-------------------------------|-----------------------|-----------------------|
| Insurer Personal Pension Plan | £1,500 (G) | £1,500 (G) |

TOTAL OF ALL PENSION BENEFITS

| Pension benefits | Calculation |
|------------------|-----------------|
| Total B | £6,000 |
| Total D | £100,000 |
| Total F | £3,000 |
| Total G | £1,500 |
| Total | £110,500 |

PERCENTAGE LIFETIME ALLOWANCE USED

| Calculation | Percentage LTA |
|--|----------------|
| $\frac{\text{£110,500 (all pension benefits)}}{\text{Lifetime Allowance}} \times 100 = \%$ | |