



## WS Stakeholder Pension Scheme

# 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"> <li>Pensions and annuities</li> <li>Income drawdown</li> </ul>	<ul style="list-style-type: none"> <li>Multiply the current gross annual pension by 25</li> <li>Multiply the current maximum annual income by 25</li> </ul>

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

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

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

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

### Worked example (tax year ended 5 April 2023)

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-STATE) PENSION TAKEN ON OR AFTER 6 APRIL 2006

Scheme name	% Lifetime Allowance	Calculation	Pension benefit value
DEF Pension Scheme	10% (C)	C x £1,073,100	£107,310 (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)

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

TOTAL OF ALL PENSION BENEFITS

Scheme name	Estimated yearly pension
Total B	£6,000
Total D	£107,310
Total F	£3,000
Total G	£1,500
<b>Total</b>	<b>£117,810</b>

PERCENTAGE LIFETIME ALLOWANCE USED

Calculation	Percentage LTA
$\frac{\text{£117,810 (all pension benefits)}}{\text{£1,073,100 (Lifetime Allowance)}} \times 100$	= 10.97%