

RETIREMENT INCOME REPORT



Prepared For
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Adviser
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Iress

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This report shows a projection of how savings, pensions and investments can be used to meet income needs in retirement.

INTRODUCTION

This report provides a projection of how your savings, pensions and investments can be used to meet income needs in retirement. It aims to give you an indication of:

- How long your pensions, savings and investments will last in retirement?
- How you will fill the gap between your State Pension entitlement and your target income?
- How the choices you make around how to take your pensions, savings and investments will affect your retirement income?
- The effect inflation can have on your investments.

Your Details

The projections in this report are based on your personal details as follows:

Name	Mr John Smith
Date of Birth	01 January 1963
Current Age	60 years, 3 months, 23 days
Gender	Male
Annual Current Salary/Income (gross)	£50,000

Retirement Details

The following details are used in this report.

Planned Retirement Age	65
Period to Retirement Age	4 years, 8 months, 8 days
Annual Target Retirement Income in Today's Terms (Net)	£22,000
Assumed Mortality Age	100

- The target income figure is the net amount of income after tax. The amount you will have available to meet retirement expenses.

The target income figure supplied is given in today's terms. It is assumed this will increase in line with inflation at an annual rate of 2.50%.

State Pension Details

The income provided by the State Pension is used to meet part of your target income needs. The following assumptions are used for the State Pension.

State Pension Age	67 years
State Pension Date	1 January 2030
Period to State Pension	6 years, 8 months, 8 days
Annual State Pension Amount In today's terms	£10,600.20

- It is assumed the State Pension will be paid gross without any income tax deducted. However the amount of State Pension will reduce the amount of personal allowance available for other income.
- The State Pension will increase each year at the greater of 2.5%, prices inflation or earnings inflation.
- Based on the inflation assumptions above this leads to the following annual rate of increase for the State Pension of 2.50%.

CURRENT PLANS

Your State Pension will fulfil some of your retirement income needs. However, there may be a gap between this and your target income.

This section details the plans that will be included in the retirement income projections. It also includes the assumptions and rules that will be applied to project their value and the income or withdrawals taken from them in the future.

These plans will be used to meet the gap between the target income and the income received from the State Pension.

Current Defined Income Plans

This quote includes the following defined income plans:

Plan Name	Plan Type	Annual Income In Today's Terms	Income Starting	Income Ending	Income Escalation Rate
Defined Benefits (Final Salary)	Defined Benefit Pension	£6,000.00	At Age 65	Does Not End (Until Death)	RPI

* For plans marked with an asterisk the details provided are an approximation. For Full Details please see Appendix - Defined Benefits Pension Details

- The annual income figure is given in today's terms.
- It is assumed this will increase annually in line with the income escalation rate shown.
- This rate will be applied throughout the entire projection from current age to mortality age where applicable.
- The annual income figure given is before tax (gross).
- It is assumed that any income received will be taxed as income under PAYE.
- For earned income plans, any income received before state pension age will also have National Insurance deducted.
- The net income after tax from these plans will be deducted from your target income. Please see the Taxation Assumptions section of this report for more details on all of the above.

Current Savings and Investment Plans

The following saving and investment plans are included in this projection:

Plan Name	Product Type	Current Value	Transfer Value	Tax Type Applied to Withdrawals from Plan
AEGON - Stocks and Shares NISA	Stocks and Shares ISA	£50,000.00	£50,000.00	No Tax
Total	-	£50,000.00	£50,000.00	-

- Withdrawals will be made from these plans from retirement age.
- The withdrawals made may be subject to tax and it is the net amount after tax that will be used to meet the target income.
- See the Taxation Assumptions section of this report for details of how this is calculated.
- See the Growth Rates and Plan Charges section of this report for further details of how these plans will be projected.

Current Pension Plans

The following pension plans are included in this projection:

Plan Name	Product Type	Current Value	Transfer Value
Clerical Medical Personal Pension	Personal Pension	£104,000.00	£104,000.00
Total	-	£104,000.00	£104,000.00

- It is assumed pension benefits will be taken from these pension plans to help meet your target income. See below.
- See the Growth Rates and Plan Charges section of this report for further details of how these plans will be projected.

Ongoing contributions will be made to the following plans:

Plan Name	Regular Premium Amount	Regular Premium Frequency	Annual Escalation	Contributions Stop
Clerical Medical Personal Pension	£200.00	Monthly	Not Increasing	At Retirement Age

CURRENT PLANS

Pension Benefits

- You can usually take your pension benefits from age 55, rising to age 57 from 2028.
- Changes since April 2015 have increased the number of options open to you on how you can access your pension benefits.
- You can take your pension fund as a cash lump sum in one go, or take smaller lump sums as and when needed. A quarter (25%) of these lump sums will be paid to you tax free and the other three quarters (75%) will be added to your taxable income in the tax year taken and taxed accordingly. This is known as Uncrystallised Funds Pension Lump Sum (UFPLS).
- Alternatively you can take tax free cash of up to 25% of the fund, technically referred to as the pension commencement lump sum (PCLS) and a regular taxable income can then be provided directly from the pension fund using a form of Flexi-Access Drawdown or by purchasing a form of annuity.
- It is assumed that your current pension plans will be consolidated and used as described over the following pages.

PENSION BENEFITS – FLEXI-ACCESS DRAWDOWN

Tax Free Cash

- It is assumed that 25.00% of the consolidated pension plan value will be taken as tax free cash.
- It is assumed the tax free cash will be paid into a bank account at outset and then withdrawn in instalments to help meet your target income. See the Growth Rates and Plan Charges section of this report for details of how this will be projected.

Pension Income

The fund remaining after taking the tax free cash will be invested in the Drawdown Product flexi-access drawdown plan.

The key features of flexi-access drawdown are:

- You can start to take an income from age 55, rising to age 57 from 2028.
- When you enter drawdown, you are able to take a tax free lump sum usually up to a quarter (25%) of your pension savings.
- Once the tax free lump sum is taken, the balance of your fund remains invested.
- There are no limits on the income you can take but any income will be added to your taxable income in the tax year taken and taxed accordingly.
- Whilst drawing income, your remaining funds continue to be invested.
- You are able to purchase an annuity at any time in the future.
- On death at age 75 or over your beneficiaries can either
 - draw income from the fund themselves which will be taxed at their marginal rate, or
 - take the fund as a lump sum which will be taxed at their marginal rate.

Flexi-Access Drawdown Withdrawals

Withdrawals will be taken from this plan to help meet your target income.

All withdrawals will be taxed as income under PAYE. See the Taxation Assumptions section of this report for further details.

The table compares some of the advantages and disadvantages of flexi-access drawdown.

Advantages	Disadvantages
<ul style="list-style-type: none">• You can take your tax free cash lump sum without taking any income.• You can adjust your income according to your lifestyle at any time.• You can take the entire fund in one go subject to income tax at your highest rate in the year taken.• If you only take the tax free lump sum you can continue to pay pension contributions that qualify for tax relief up to £60,000 a year, known as the Annual Allowance (AA).• You choose where your pension is invested this can be in funds, shares, Exchange Traded Funds (ETFs), bonds, gilts, cash and more.• On death before age 75 your pension fund still invested will pass to your beneficiaries' tax free.	<ul style="list-style-type: none">• High rates of tax may be payable if you take large sums of money out of your pension.• Taking high levels of income may not be sustainable.• The capital value of your fund may be eroded.• If you are taking an income the contribution annual allowance of £60,000 a year will be reduced to £10,000 a year, known as the Money Purchase Annual Allowance (MPAA).• Your fund will continue to be exposed to investment risk.• You will be responsible for your own investments.• There are charges for continuing to run your pension fund.• Annuity rates may be at a worse level in the future.

MEETING TARGET INCOME

There are many permutations that can affect how and whether you meet your target retirement income. These different permutations can greatly affect the projected outcome. The below summarises the options and assumptions used in this projection.

Assumptions Used

The following assumptions will be used to project the future retirement income:

Growth Rate Assumption	Mid Growth Rates
Retirement Age	65
Annual Inflation Rate Assumption	2.50%
Pension Fund Use	Flexi-Access Drawdown
PCLS Taken	Used To Meet Target Income

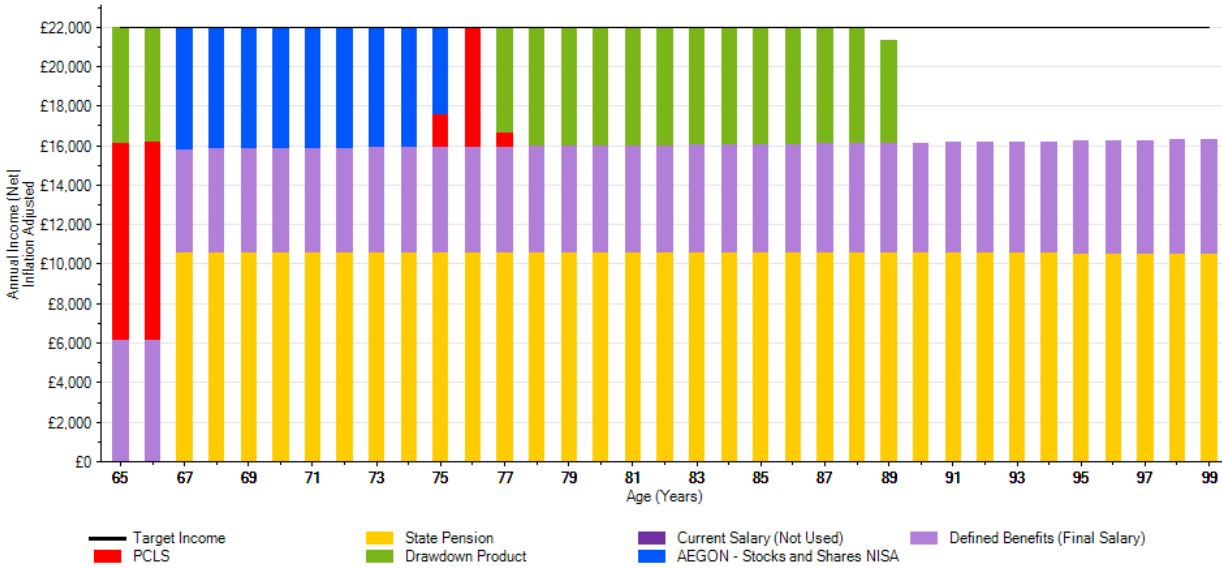
Any gap to target income will be met from the plans listed below in the order shown. Once the first plan runs out of money the next plan will be used until mortality age is reached or until all pension, savings and investments are exhausted.

Plan	Product Type
AEGON - Stocks and Shares NISA	Stocks and Shares ISA
New Plan	Flexi-Access Drawdown

RETIREMENT INCOME PROJECTION

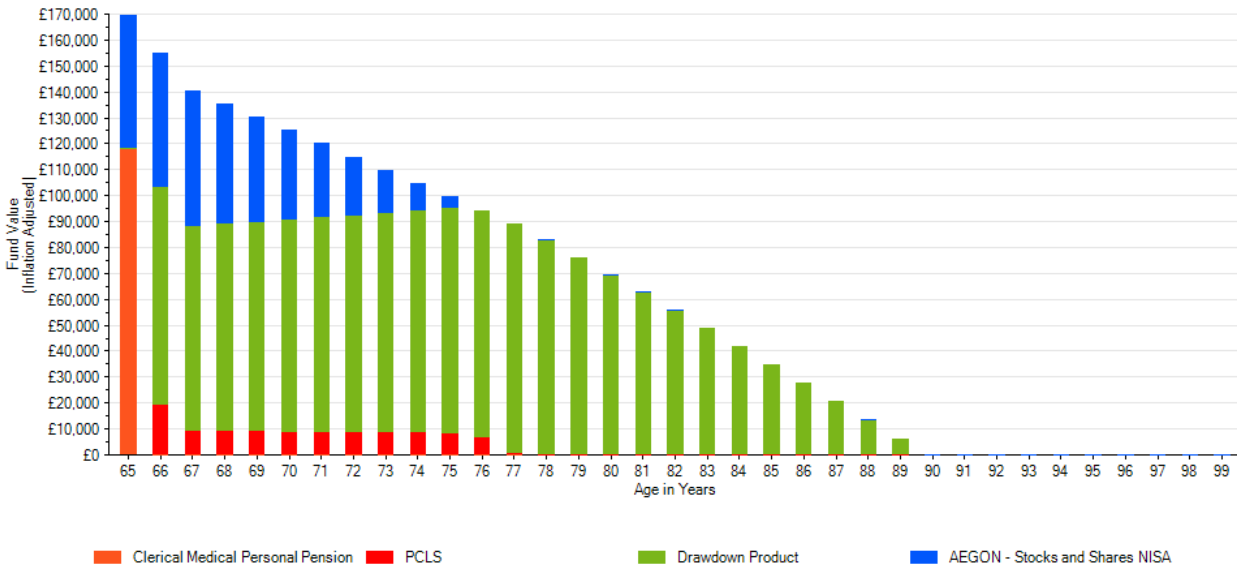
Retirement Income Chart

The chart below shows the estimated yearly income you will receive from your pension, savings and investment plans in retirement. All income shown is the net amount received after tax. Values have been adjusted to reflect inflation at an annual rate of 2.50%.



Yearly Fund Value Chart

The chart below shows the fund value of each of the plans included in the projection in retirement. Values have been adjusted to reflect inflation at an annual rate of 2.50%.



Pension Benefits – Flexi-Access Drawdown

The following summarises the pension benefits taken in this projection:

New Product Name	Drawdown Product
Product Purchase Age	65
Tax Free Cash Taken	£29,500
New Product Purchase Value	£88,700
Maturity Value	£0

SUMMARY

Based on the projection your savings and investments will not meet your target income needs until your assumed mortality age of 100.

All Plans Maturity Value	£0
Average Annual Short Fall	£1,660
Age All Plans Exhausted	89

Year by Year Values

The table below summarises the yearly values displayed in the Income and Fund Value charts. All values have been adjusted to reflect the effect of inflation at an annual rate of 2.50%.

Age at Beginning of Year	Fund Value at Beginning of Year	Income and Withdrawals Before Tax	Income and Withdrawals After Tax	Target Income	Shortfall	Tax Paid	Adviser Charges	Fund Value at End of Year
65	£169,000	£22,000	£22,000	£22,000	£0	£0	£678	£155,000
66	£155,000	£22,000	£22,000	£22,000	£0	£0	£656	£140,000
67	£140,000	£22,900	£22,000	£22,000	£0	£979	£634	£135,000
68	£135,000	£22,900	£22,000	£22,000	£0	£997	£609	£130,000
69	£130,000	£23,000	£22,000	£22,000	£0	£1,010	£584	£125,000
70	£125,000	£23,000	£22,000	£22,000	£0	£1,030	£559	£120,000
71	£120,000	£23,000	£22,000	£22,000	£0	£1,050	£534	£115,000
72	£115,000	£23,000	£22,000	£22,000	£0	£1,060	£509	£109,000
73	£109,000	£23,000	£22,000	£22,000	£0	£1,080	£484	£104,000
74	£104,000	£23,100	£22,000	£22,000	£0	£1,100	£458	£99,500
75	£99,500	£23,100	£21,900	£22,000	£0	£1,120	£440	£94,400
76	£94,400	£23,100	£22,000	£22,000	£0	£1,130	£444	£89,400
77	£89,400	£24,400	£22,000	£22,000	£0	£2,490	£415	£82,900
78	£82,900	£24,600	£22,000	£22,000	£0	£2,670	£382	£76,300
79	£76,300	£24,600	£22,000	£22,000	£0	£2,690	£348	£69,600
80	£69,600	£24,700	£22,000	£22,000	£0	£2,700	£314	£62,800
81	£62,800	£24,700	£22,000	£22,000	£0	£2,710	£280	£56,000
82	£56,000	£24,700	£22,000	£22,000	£0	£2,730	£246	£49,100
83	£49,100	£24,700	£22,000	£22,000	£0	£2,740	£211	£42,100
84	£42,100	£24,700	£22,000	£22,000	£0	£2,760	£176	£35,100
85	£35,100	£24,700	£22,000	£22,000	£0	£2,770	£140	£28,100
86	£28,100	£24,700	£22,000	£22,000	£0	£2,780	£105	£20,900
87	£20,900	£24,800	£22,000	£22,000	£0	£2,800	£68	£13,700
88	£13,700	£24,800	£22,000	£22,000	£0	£2,810	£32	£6,510
89	£6,510	£24,000	£21,300	£22,000	£641	£2,660	£0	£0
90	£0	£17,500	£16,100	£22,000	£5,830	£1,380	£0	£0
91	£0	£17,500	£16,100	£22,000	£5,820	£1,390	£0	£0
92	£0	£17,600	£16,100	£22,000	£5,800	£1,410	£0	£0
93	£0	£17,600	£16,200	£22,000	£5,780	£1,430	£0	£0
94	£0	£17,600	£16,200	£22,000	£5,760	£1,440	£0	£0
95	£0	£17,700	£16,200	£22,000	£5,750	£1,460	£0	£0
96	£0	£17,700	£16,200	£22,000	£5,730	£1,480	£0	£0
97	£0	£17,700	£16,200	£22,000	£5,710	£1,500	£0	£0
98	£0	£17,800	£16,300	£22,000	£5,690	£1,510	£0	£0
99	£0	£17,800	£16,300	£22,000	£5,670	£1,530	£0	£0

The following sections provide a detailed breakdown of Yearly Values for each individual plan included in the projection.

YEARLY VALUES – STATE PENSION

The table below summarises the annual income that will be received from the State Pension. All values have been adjusted to reflect the effect of inflation at an annual rate of 2.50%.

Age at Beginning of Year	Fund Value at Beginning of Year	Income and Withdrawals Before Tax	Income and Withdrawals After Tax	Tax Paid	Adviser Charges	Fund Value at End of Year
67	-	£10,600	£10,600	£0	-	-
68	-	£10,600	£10,600	£0	-	-
69	-	£10,600	£10,600	£0	-	-
70	-	£10,600	£10,600	£0	-	-
71	-	£10,600	£10,600	£0	-	-
72	-	£10,600	£10,600	£0	-	-
73	-	£10,600	£10,600	£0	-	-
74	-	£10,600	£10,600	£0	-	-
75	-	£10,600	£10,600	£0	-	-
76	-	£10,600	£10,600	£0	-	-
77	-	£10,600	£10,600	£0	-	-
78	-	£10,600	£10,600	£0	-	-
79	-	£10,600	£10,600	£0	-	-
80	-	£10,600	£10,600	£0	-	-
81	-	£10,600	£10,600	£0	-	-
82	-	£10,600	£10,600	£0	-	-
83	-	£10,600	£10,600	£0	-	-
84	-	£10,600	£10,600	£0	-	-
85	-	£10,600	£10,600	£0	-	-
86	-	£10,600	£10,600	£0	-	-
87	-	£10,600	£10,600	£0	-	-
88	-	£10,600	£10,600	£0	-	-
89	-	£10,600	£10,600	£0	-	-
90	-	£10,600	£10,600	£0	-	-
91	-	£10,600	£10,500	£2	-	-
92	-	£10,600	£10,500	£12	-	-
93	-	£10,600	£10,500	£22	-	-
94	-	£10,600	£10,500	£32	-	-
95	-	£10,600	£10,500	£43	-	-
96	-	£10,600	£10,500	£53	-	-
97	-	£10,600	£10,500	£63	-	-
98	-	£10,600	£10,500	£73	-	-
99	-	£10,600	£10,500	£83	-	-

YEARLY VALUES – CURRENT PENSION PLANS

The table below summarises the yearly values of the Clerical Medical Personal Pension which is a Pension plan. All values have been adjusted to reflect the effect of inflation at an annual rate of 2.50%.

Age at Beginning of Year	Fund Value at Beginning of Year	Income and Withdrawals Before Tax	Income and Withdrawals After Tax	Tax Paid	Adviser Charges	Fund Value at End of Year
65	£118,000	-	-	£0	£0	£0

YEARLY VALUES – TAX FREE CASH

When you take benefits from your pension plans it is assumed that the tax free cash is paid into a bank account at outset and then withdrawn in instalments to help meet the target income. The table below summarises the yearly values of the tax free cash. All values have been adjusted to reflect the effect of inflation at an annual rate of 2.50%.

Age at Beginning of Year	Fund Value at Beginning of Year	Income and Withdrawals Before Tax	Income and Withdrawals After Tax	Tax Paid	Adviser Charges	Fund Value at End of Year
65	£29,500	£9,970	£9,970	£0	£0	£19,800
66	£19,400	£10,000	£10,000	£0	£0	£9,510
67	£9,270	£0	£0	£0	£0	£9,400
68	£9,170	£0	£0	£0	£0	£9,300
69	£9,080	£0	£0	£0	£0	£9,200
70	£8,980	£0	£0	£0	£0	£9,100
71	£8,880	£0	£0	£0	£0	£9,010
72	£8,790	£0	£0	£0	£0	£8,910
73	£8,690	£0	£0	£0	£0	£8,810
74	£8,600	£0	£0	£0	£0	£8,720
75	£8,510	£1,680	£1,680	£0	£0	£6,920
76	£6,750	£6,050	£6,050	£0	£0	£713
77	£695	£695	£695	£0	£0	£0

YEARLY VALUES – NEW FLEXI-ACCESS DRAWDOWN PLAN

The table below summarises the yearly values of the Drawdown Product which is a Flexi-Access Drawdown plan. All values have been adjusted to reflect the effect of inflation at an annual rate of 2.50%.

Age at Beginning of Year	Fund Value at Beginning of Year	Income and Withdrawals Before Tax	Income and Withdrawals After Tax	Tax Paid	Adviser Charges	Fund Value at End of Year
At Drawdown Purchase Age	£88,700	£5,870	£5,870	£0	£478	£85,900
66	£83,800	£5,780	£5,780	£0	£462	£80,900
67	£79,000	£0	£0	£0	£479	£81,900
68	£79,900	£0	£0	£0	£496	£82,800
69	£80,800	£0	£0	£0	£515	£83,800
70	£81,700	£0	£0	£0	£534	£84,800
71	£82,700	£0	£0	£0	£553	£85,800
72	£83,700	£0	£0	£0	£574	£86,800
73	£84,600	£0	£0	£0	£595	£87,800
74	£85,600	£0	£0	£0	£617	£88,800
75	£86,600	£0	£0	£0	£640	£89,800
76	£87,600	£0	£0	£0	£664	£90,900
77	£88,700	£6,670	£5,340	£1,330	£636	£85,000
78	£82,900	£7,520	£6,020	£1,500	£600	£78,200
79	£76,300	£7,510	£6,000	£1,500	£561	£71,300
80	£69,600	£7,490	£5,990	£1,490	£519	£64,400
81	£62,800	£7,470	£5,970	£1,490	£474	£57,400
82	£56,000	£7,450	£5,960	£1,490	£426	£50,300
83	£49,100	£7,430	£5,940	£1,480	£375	£43,200
84	£42,100	£7,410	£5,930	£1,480	£320	£36,000
85	£35,100	£7,390	£5,910	£1,470	£262	£28,800
86	£28,100	£7,370	£5,900	£1,470	£201	£21,400
87	£20,900	£7,350	£5,880	£1,470	£135	£14,100
88	£13,700	£7,330	£5,860	£1,460	£65	£6,670
89	£6,510	£6,510	£5,210	£1,300	£0	£0

YEARLY VALUES – CURRENT INVESTMENT PLANS

The table below summarises the yearly values of the AEGON - Stocks and Shares NISA which is a Investment plan. All values have been adjusted to reflect the effect of inflation at an annual rate of 2.50%.

Age at Beginning of Year	Fund Value at Beginning of Year	Income and Withdrawals Before Tax	Income and Withdrawals After Tax	Tax Paid	Adviser Charges	Fund Value at End of Year
65	£51,400	£0	£0	£0	£259	£53,000
66	£51,800	£0	£0	£0	£260	£53,400
67	£52,100	£6,170	£6,170	£0	£234	£47,500
68	£46,300	£6,150	£6,150	£0	£204	£41,400
69	£40,400	£6,140	£6,140	£0	£175	£35,400
70	£34,500	£6,130	£6,130	£0	£145	£29,300
71	£28,500	£6,120	£6,120	£0	£115	£23,100
72	£22,600	£6,100	£6,100	£0	£85	£16,900
73	£16,500	£6,090	£6,090	£0	£55	£10,700
74	£10,400	£6,070	£6,070	£0	£24	£4,490
75	£4,380	£4,380	£4,380	£0	£1	£0
76	£0	£0	£0	£0	£0	£0
77	£0	£0	£0	£0	£0	£0
78	£0	£0	£0	£0	£0	£0
79	£0	£0	£0	£0	£0	£0
80	£0	£0	£0	£0	£0	£0
81	£0	£0	£0	£0	£0	£0
82	£0	£0	£0	£0	£0	£0
83	£0	£0	£0	£0	£0	£0
84	£0	£0	£0	£0	£0	£0
85	£0	£0	£0	£0	£0	£0
86	£0	£0	£0	£0	£0	£0
87	£0	£0	£0	£0	£0	£0
88	£0	£0	£0	£0	£0	£0
89	£0	£0	£0	£0	£0	£0
90	£0	£0	£0	£0	£0	£0
91	£0	£0	£0	£0	£0	£0
92	£0	£0	£0	£0	£0	£0
93	£0	£0	£0	£0	£0	£0
94	£0	£0	£0	£0	£0	£0
95	£0	£0	£0	£0	£0	£0
96	£0	£0	£0	£0	£0	£0
97	£0	£0	£0	£0	£0	£0
98	£0	£0	£0	£0	£0	£0
99	£0	£0	£0	£0	£0	£0

YEARLY VALUES – CURRENT DEFINED INCOME PLANS

The table below summarises the yearly values of the Defined Benefits (Final Salary) which is a Defined Income plan. All values have been adjusted to reflect the effect of inflation at an annual rate of 2.50%.

Age at Beginning of Year	Fund Value at Beginning of Year	Income and Withdrawals Before Tax	Income and Withdrawals After Tax	Tax Paid	Adviser Charges	Fund Value at End of Year
65	-	£6,140	£6,140	£0	-	-
66	-	£6,170	£6,170	£0	-	-
67	-	£6,200	£5,220	£979	-	-
68	-	£6,230	£5,240	£997	-	-
69	-	£6,260	£5,250	£1,010	-	-
70	-	£6,290	£5,260	£1,030	-	-
71	-	£6,320	£5,270	£1,050	-	-
72	-	£6,360	£5,290	£1,060	-	-
73	-	£6,390	£5,300	£1,080	-	-
74	-	£6,420	£5,320	£1,100	-	-
75	-	£6,450	£5,330	£1,120	-	-
76	-	£6,480	£5,340	£1,130	-	-
77	-	£6,510	£5,360	£1,150	-	-
78	-	£6,540	£5,370	£1,170	-	-
79	-	£6,580	£5,390	£1,190	-	-
80	-	£6,610	£5,400	£1,200	-	-
81	-	£6,640	£5,420	£1,220	-	-
82	-	£6,670	£5,430	£1,240	-	-
83	-	£6,710	£5,450	£1,250	-	-
84	-	£6,740	£5,460	£1,270	-	-
85	-	£6,770	£5,480	£1,290	-	-
86	-	£6,800	£5,490	£1,310	-	-
87	-	£6,840	£5,510	£1,320	-	-
88	-	£6,870	£5,520	£1,340	-	-
89	-	£6,900	£5,540	£1,360	-	-
90	-	£6,940	£5,560	£1,380	-	-
91	-	£6,970	£5,580	£1,390	-	-
92	-	£7,010	£5,600	£1,400	-	-
93	-	£7,040	£5,630	£1,400	-	-
94	-	£7,070	£5,660	£1,410	-	-
95	-	£7,110	£5,690	£1,420	-	-
96	-	£7,140	£5,710	£1,420	-	-
97	-	£7,180	£5,740	£1,430	-	-
98	-	£7,210	£5,770	£1,440	-	-
99	-	£7,250	£5,800	£1,450	-	-

GROWTH RATES AND PLAN CHARGES

This section lists the assumed growth rates and charges used to project the future values of each plan shown in this report.

Growth Rates

The following growth rates were used to project plan values in this report. Your projection uses the Mid growth rate assumptions.

Plan Name	Plan Type	Nominal Growth Rates			Inflation Adjusted Growth Rates		
		Low	Mid	High	Low	Mid	High
AEGON - Stocks and Shares NISA	Stocks and Shares ISA	2.00%	5.00%	8.00%	0.00%	2.94%	5.88%
Clerical Medical Personal Pension	Personal Pension	2.00%	5.00%	8.00%	0.00%	2.94%	5.88%
Pension Commencement Lump Sum	Bank Account	0.50%	1.50%	2.50%	-1.47%	-0.49%	0.49%

Plan Charges

The table below lists the assumed annual charges applied to plans included in this projection:

Plan Name	Plan Type	Fund Charge	Plan Charge	Policy Fee	Adviser Charge
AEGON - Stocks and Shares NISA	Stocks and Shares ISA	0.75%	0.25%	£100.00	0.50%
Clerical Medical Personal Pension	Personal Pension	0.75%	0.25%	£100.00	0.50%
ALL PCLS Plans	Bank Account	0.10%	0.00%	£0.00	0.00%

It is assumed that:

- Fund Charge is deducted monthly.
- Plan Charge is deducted monthly.
- Policy Fee is deducted quarterly in arrears.
- Adviser Charge is deducted monthly.

NEW PLAN DETAILS

This section describes the assumptions used to project the future value of the new plan used to provide pension income.

Assumptions Used – Drawdown Product – Flexi-Access Drawdown

The table below summarises some of the key charges and features associated with this product:

Title	Note
Product Charge	0.25%
Fund Charge	0.5%
On-going Adviser Charge	Annual On-going charge of 0.5% of the total fund value paid monthly

Unless otherwise stated, the charges shown above represent the annual charges of the product used in the projection.

The values of the new plan were projected using an inflation adjusted growth rate of 2.44%. The inflation adjusted rate is based on a nominal growth rate of 5.00% reduced at an annual inflation rate of 2.50%.

TAXATION ASSUMPTIONS

The tax bands and allowances listed below are the rates for this tax year. It is assumed these allowances and bands will increase each year.

It is assumed the tax bands and allowances will increase at 2.00% per year.

Taxation Region: UK excluding Scotland

Income Tax

For any plans in this report for which it is stated that income received will be taxed as income under PAYE then the following tax rates and income tax allowance bands will be applied to the gross income:

Band	Start of Band	End of Band	Tax Rate
Personal Allowance	£0	£12,570	0%
Basic Rate	£12,570	£50,270	20%
Higher Rate	£50,270	£125,140	40%
Additional Rate	£125,140		45%

Your Personal Allowance goes down by £1 for every £2 that your income is above the personal allowance limit.

Personal Allowance Limit £100,000

The rates and bands above will be used to calculate the net income received after tax from these plans.

It is assumed that the income tax band thresholds shown above will increase each year in line with the annual increase rate shown above.

The total gross income from the State Pension, your current annual income/salary, defined income and any pension income will be used to determine the taxpayer type based on the bands above. This taxpayer type will be used to calculate the tax due on any withdrawals made from investments.

Taxation of Withdrawals from Investments

The following assumptions will be used to calculate the tax paid on withdrawals made on investment plans.

It is assumed that the cost to purchase the investments held in an investment plan is the current value, as specified in the current plans section, plus the total of any ongoing contributions.

Following a withdrawal from an investment plan the projected value of the plan will be used to calculate the initial cost of the units being sold to make the withdrawal. This will in turn be used to calculate the gain made on the sale of the investments.

Any gain following a withdrawal from an investment plan will be taxed depending on the plan "tax type" as specified in the current plans section as shown on the next page

TAXATION ASSUMPTIONS

No Tax Products

Withdrawals made from No Tax Products will pay no tax. Therefore the gross withdrawal before tax from these plans will always be the same as the net withdrawal after tax.

Note that withdrawals from bank accounts are classed as no tax. Although interest on bank accounts is subject to tax the withdrawals themselves will not generate a tax charge.

Capital Gains Tax Products

Assumed Capital Gains Tax allowance for this year: £6,000.00

It is assumed that Capital Gains Tax (CGT) allowance will increase each year in line with the annual increase rate shown above.

All gains made on withdrawals from Capital Gains Tax plans in a given year will be added together. If the total of these gains exceeds the Capital Gains Tax allowance in that year then the following tax rates will be applied to the gains:

Tax payer Type	Tax Rate on Gains
Inside Personal Allowance	10%
Basic Rate	10%
Higher or Additional Rate	20%

Other than the annual Capital Gains Tax allowance no reliefs or exemptions are applied to the CGT calculations.

Investment Bonds

All withdrawals made from investment bonds are assumed to be full surrenders of segments of the bonds. Any gain on these surrenders is charged at the following tax rates:

Tax payer Type	Offshore Bond	Onshore Bond
Inside Personal Allowance	0%	0%
Basic Rate	20%	0%
Higher Rate	40%	20%
Additional Rate	45%	25%

Top slicing relief and other reliefs are not taken in to account.

Other Taxation Assumptions

All tax calculations use the following simplifying assumptions:

- You are UK resident and UK domiciled.
- All plans are owned on a single life basis by you.
- Age allowances for Income Tax are not taken into account.
- All calculations assume you have no other income sources than those listed.

Emergency Tax Codes on Pension Income

Please note that in some circumstances an emergency tax code may be applied to pension income. This could potentially lead to more tax being paid at outset than is due. In this case you would have to claim this additional tax back.

TAXATION ASSUMPTIONS

Warning

Tax rules are constantly reviewed and changed. The information above is based on our understanding of the present tax rules and is not intended as a substitute for professional tax advice.

The projections in the report provide an indication of the tax that may be paid on the investments. The tax paid in reality will be different to this and will depend on a number of factors including but not limited to:

- *Growth of underlying investments.*
- *Changes to charges to a plan.*
- *Changes in tax rules.*
- *Changes in plan ownership.*