

August 2007.

When Janice draws benefits from the NHS Pension Agency arrangement the value of these benefits will be tested against the Lifetime Allowance. For the purposes of placing a value on these arrangements we understand that Janice's pension will be multiplied by a factor of 20 and then added to the value of her lump sum from this arrangement. I would however suggest Janice check that this is the case with the NHS Pension Agency.

On this basis, assuming she retires at age 55 and is entitled to a pension of GBP10,944.26 plus a lump sum of GBP32,832.78, the value of these benefits will be GBP251,718 (i.e. $20 \times 10,944.26 + 32,832.78$). This will use approximately 14% of the Standard Lifetime Allowance.

If Janice draws benefits from the Scheme in May and the value of her share of the Scheme assets at that time is GBP1,255,952 she will use 72% of the Standard Lifetime Allowance. As long as the combined percentages in the two arrangements do not exceed 100% of the Standard Lifetime Allowance and Janice has no other pension arrangements no Chargeable Amount will arise at that time.

As you will appreciate, we have estimated the value of Janice's NHS Pension Agency arrangement based on the information we have been provided with. If the actual value is significantly different to the figures shown above this will have an impact on whether the value of Janice's pension arrangements exceed the Standard Lifetime Allowance at the date she comes to draw benefits.

I look forward to hearing how Stephen wishes to proceed with his application for Protection against the Lifetime Allowance Charge. If you have any queries in the meantime please do not hesitate to contact me, or Paul.

Kind regards

Lisa White

Barnett Waddingham LLP

St James's House | St James's Square | Cheltenham | GL50 3PR

t: 01242 538500 | f: 01242 538501

www.barnett-waddingham.co.uk

Barnett Waddingham LLP E-mail Notice

This e-mail and any files with it are confidential and are solely for the individual to whom they are addressed. Any use of, or action taken in reliance upon, this information by any other person is prohibited. If you received this information in error, please contact the sender immediately and delete the material from any computer that may contain it and destroy any printed copies you may have made.

We have taken all reasonable precautions to ensure that no viruses are transmitted with this message. However, we can accept no responsibility for any loss or damage resulting directly or indirectly from the use of this e-mail or its contents.

Incoming and outgoing e-mails are subject to scanning and may be intercepted by our e-mail administrators.

Barnett Waddingham LLP (OC307678), BW SIPP LLP (OC322417), Barnett Waddingham Investments LLP (OC323081), Barnett Waddingham Actuaries and Consultants Limited (06498431) and Garvin Trustees Limited (02645749) are registered in England and Wales with their registered office at Cheapside House, 138 Cheapside, London EC2V 6BW.

Barnett Waddingham LLP and Barnett Waddingham Actuaries and Consultants Limited are regulated by the Institute of Actuaries in respect of a range of investment business activities. Barnett Waddingham Investments LLP and BW SIPP LLP are authorised and regulated by the Financial Services Authority.

Visit our web site at <http://www.barnett-waddingham.co.uk>

15/12/2009