



Esther . <esther@cranfords.biz>

Re: Stephen Ward Photography Directors Pension Scheme

1 message

Tony McCarthy <tonym@pensionpractitioner.com>
To: Esther <esther@cranfords.biz>

19 November 2018 at 13:04

Hiho

Updated split as of 12th November 2018 - top figures:

Cash at bank : £173,736.53

NS&I : £0 (I'm assuming that the £161,091.45 received into the bank account on 12th October 2018 was the entirety of this holding, but shout back if there are still residual funds within this investment and I can update accordingly)

Redmayne Bentley : £169,130

Total value : £342,866.53

Stephen : £236,482.54 (68.972%) ** Figure given in the previous email had a typo - this should *not* have been over £300k!!!

Sandra : £106,383.99 (31.028%)

Cheers,

Tony

On Mon, 19 Nov 2018 at 11:57, Esther . <esther@cranfords.biz> wrote:

Thanks so much for explaining that Tony, appreciate it.

I've attached the up to date valuation for Redmayne Bentley.

Thanks again.

Kind Regards

Esther

Esther Salmon
Pensions Administrator

T: 0844 410 0037

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On Mon, 19 Nov 2018 at 12:06, Tony McCarthy <tonym@pensionpractitioner.com> wrote:
Morning

There appears to be a few emails on webdrive where the discussion around switching to flexi-access is touched upon - the previous Cranfords administrators were concerned over the lack of details around the April 2014 calcs and the possibility of overpaying benefits and so breaching the cap. I can't see - definitively - whether the clients explicitly agreed to switch over. There was talk of them signing a declaration, but I can't see one anywhere (that may be me being blind).

If the intention *was* to stay in capped drawdown, then a review should've been done in April 2017 to update the allowances. Either way, they would've breached their respective capped limits in 2017 regardless. Going by the review done in April 2014, Stephen's annual pension is limited to £25,166.75, while Sandra's is £11,448.77 - in April 2017 they were paid, respectively, £25,840 and £23,800 (tax was paid out of these amounts, which may be the figure they were working on to see if the cap was breached, but they are still deemed as having received the full amount for income purposes). If a review was done in April 2017 (as it should have been), then these breaches are even more visible (going off the Jan 2017 valuations, Stephen's revised income should have been reduced to $((£261,605 / £1000) * £56) * 150\% =) £21,974.82/\text{year}$, and Sandra's to $((£118,801 / £1000) * £53) * 150\% =) £9,444.68/\text{year}$.

This isn't a major catastrophe in of itself, but does mean that the drawdown funds would have been automatically switched over to flexi-access, with them being informed, and (if appropriate) any other pension providers they may have also being informed at the time. I doubt it is applicable in this case, but the MPAA would've been triggered, and so limits placed on future contributions.

On the revised capped allowances (on the theoretical review done in 2017), then the 2018 payments would have been in breach anyway.

So, in short, it appears that they are in flexi-access now, whether they explicitly agreed to switch to flexi-access or not.

As far as fund splits go, as of 15th October 2018 :-

Cash at bank : £173,736.53

NS&I : £0 (I'm assuming that the £161,091.45 received into the bank account on 12th October 2018 was the entirety of this holding, but shout back if there are still residual funds within this investment and I can update accordingly)

Redmayne Bentley : £148,454.21 (this is the valuation as of 20th January 2017 - I can't find a more up-to-date valuation, so a completely accurate valuation of the entire fund is dependant on receiving a current value for this)

Total value : £322,190.74

Stephen : £322,221.99 (68.972%)

Sandra : £99,968.75 (31.028%)

I've attached an updated split, and will update again as/when the Redmayne Bentley value comes back in.

Cheers,

Tony

On Thu, 15 Nov 2018 at 11:55, Esther . <esther@cranfords.biz> wrote:

Hi Tony,

I hope you are well.

Sorry to trouble you, wondered if you could help please.

I've been speaking to Stephen Ward recently (Cranfords scheme). He's been thinking for a couple of years now about moving his ssas to a family sipp with mateoli woods (his son is director of) to bring all his kids into the family sipp. His son is his financial advisor.

I've told him all about the new platform which he and his son thinks is great, but sadly is going with his son's advise to move to a sipp.

I've also told him that he can bring the kids into the ssas.

It would be great to keep the scheme and he's a lovely guy.

Anyway, he's asked if he is in capped or flexible drawdown? I'm not 100% sure.

I've had a good look through the file and found a couple of bits attached which I hope may answer the question. What do you think?

The last couple of years, he and his wife Sandra received a lump sum income once a year, which the accountant works out the figures, we pay one lump sum to Stephen and Sandra then pays HMRC and we have the records of this.

Would it be possible at all to receive an up to date fund split? No rush, thanks Tony.

Sorry Tony, don't know if this helps.

Thanks so much.

Kind Regards

Esther

Esther Salmon
Pensions Administrator

T: 0844 410 0037

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Scheme Valuation and Fund Split as at 12.11.18.xlsx

18K