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CN Pension Fund - Cath Johnson

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3 October 2018 at 17:27

To: Georgina Stuliglowa <georginas@pensionpractitioner.com>

Hiho!

Righty, her initial split calculation is correct : £30,519.74 total transfers in for Mrs and £43,223.57 for Mr (total £73,743.31, meaning relative splits are 41.386%/58.614%)

She has gone for proportional fee splits as opposed to equal fees (there isn't any indication how they wanted to divvy up the fees, so this isn't incorrect). Also, there was a loan, but this would've been split across the above percentages as well, so doesn't matter.

Moving this forward to Mrs's crystallisation and PCLS calculation:

Total fund was £71,103.60 at this time, and applying Mrs's split percentage gives her fund value at £29,426.94. 25% of this is £7,356.74, leaving the remaining £22,070.13 available for drawdown. From this, I would deduct £444 for fees (attributable to her fund alone since it is entirely for her benefit), which leaves the drawdown fund at £21,626.13. Fund splits at this point are 34.060% for Mrs and 65.940% (for £41,868.46) for Mr.

Next, Mrs's drawdown plus tax and fees totalling £5060 are taken, which reduces her fund to £16,566.13. Total at bank at this point is £58,434.79. New splits are 28.350% (£16,566.26) for Mrs, and 71.650% (£41,868.53) for Mr.

Moving this forward to the final tally of £58,450.80, we get Mrs at £16,570.80 (crystallised and available for drawdown) and Mr at £41,880.00.

Emma does appear to have gone slightly wrong in not updating Mr's split at various times (for instance, in the split following the 18/12/17 BCE, she has taken Mr's fund value to be its initial transfer value, and not updated it for intervening deductions for fees and additions for loan interest - this has thrown her percentages out a little since her splits are based on Mr's 2013 value and Mrs's 2017 fund value). Fortunately, this hasn't had a massive effect on things (the calculation up to the PCLS calculation is correct, so that sum was paid correctly, and it was a matter of calculating the splits correctly from there to ensure her drawdown fund is right).

Either way, Mrs Johnson does have sufficient funds to be able to draw a gross payment of £8,500 - which, thinking about it, is all you asked for! I'll have a look at amending the spreadsheets so that they are correct from now on.

Cheers,

Tony

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