



## Fast Facts

### Purchased Life Annuity

The Prudential Purchased Life Annuity(PLA) lets your client exchange a cash lump sum from personal savings or investments, including a pension commencement lump sum, in return for the guarantee of a regular income, normally for life.

Eligibility	
Minimum age at entry	Normally 50 attained
Maximum age at entry	Normally 85 next birthday
Funding	
Source	Private funds from UK residents only. Please note that we cannot accept proceeds from a will or a structured settlement or from a third party.
Minimum	£30,000
Plan options	
Single-Life	Yes
Joint-Life	Yes. Second life can be a spouse, civil partner, financial dependant or other person who depends on your client's continued contribution towards an important, shared financial commitment. Benefits can be paid on a joint life, first death or joint life, last survivor basis.
Payment Frequency	Monthly, quarterly, half yearly, yearly in advance or arrears. If we pay you in arrears, you can choose to have a final payment made to your estate after you die. We call this option "Final Proportion".
Payment Date	Any day of the month.
Income Options	Income can be selected to remain level or escalate between 0.01% and 8.50% each year.
Payment Guarantee Period	A period of up to 10 years is available.

## Commission

We will pay a maximum of 2% commission

## Tax treatment of a PLA

Tax treatment of a PLA	The Purchased Life Annuity is taxed differently from pension annuities. Currently HM Revenue and Customs splits the income from your client's Purchased Life Annuity into two proportions, which are taxed differently
The Exempt Proportion	This proportion of your client's income represents the repayment to your client of part of the capital they invested in the Purchased Life Annuity. In effect they are getting their own money back – so it is paid without tax being deducted.
The Taxable Proportion	This proportion of your client's income will be taxed as unearned income, in line with current tax law and tax rates. Normally Prudential deduct the savings rate of tax and pass it to HM Revenue & Customs, before we pay your client's income. Your client must declare this investment income on their tax return.

## Quotations

For a quotation, please call **0808 234 5100**  
Opening hours: 8.30am-6pm, Monday to Friday

Calls may be monitored or recorded for quality and training purposes.

For further information please refer to our key features document.



[www.pruadviser.co.uk](http://www.pruadviser.co.uk)

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