

## Taking benefits when you have a Personal Lifetime Allowance or your benefits exceed the Standard Lifetime Allowance

There is an overall Lifetime Allowance (LTA), which will cover all your pension plans, however many you have. If you have benefits over the LTA, there may be a tax charge on the excess when you take your benefits.

The LTA will remain at £1.8 million until 5 April 2012, when it will be reduced to £1.5 million. Protection may be available for those that may exceed the LTA. If you think these tax changes may affect you we strongly suggest you seek financial advice. This limit is commonly referred to as the Standard Lifetime Allowance. For people with a protected early retirement age earlier than 55, their Lifetime Allowance may be less than the standard Lifetime Allowance.

In practice, the Lifetime Allowance won't affect many people. However the Government have recognised that some people who have already built up substantial pension benefits under pre A-Day (6 April 2006) rules should not be penalised under the new rules. So the Government introduced some transitional protection for these people.

To benefit from this protection, individuals should have applied to HMRC before 6 April 2009.

There are also some other instances where individuals can apply to HMRC for an increased Lifetime Allowance factor. Applications for these also need to be made to HMRC, but there are varying timescales for these. There is more information on this on the HMRC website: [www.hmrc.gov.uk/pensionschemes](http://www.hmrc.gov.uk/pensionschemes)



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

"Prudential" is a trading name of the The Prudential Assurance Company Ltd, which is registered in England and Wales. This name is also used within the Prudential Group, which between then provide a range of financial products including life assurance, pensions, savings and investment products. Registered Office at Laurence Pountney Hill, London EC4R 0HH. Registered numbers 15454. Authorised and regulated by the Financial Services Authority.



## Additional information form

Please use black ink and write in CAPITAL LETTERS or tick  as appropriate. Any corrections must be initialled. Please do not use correction fluid as this will invalidate your form.

### About this form

You should complete this form if:

- You are taking benefits from your pension plan and your benefits are affected by the Lifetime Allowance (LTA).
- You are transferring your benefits from your pension plan to a Qualifying Recognised Overseas Pension Scheme (QROPS) and your benefits are affected by the Lifetime Allowance.

### Important notes

- In this form "taking benefits" includes transferring to a QROPS.
- This form provides the information needed to meet HMRC rules, so must be fully and correctly completed. Anyone making a fraudulent or negligent claim in respect of entitlement to enhanced Lifetime Allowance may become liable to a significant penalty.
- The information needed is fairly complex. You may want to get advice from your financial adviser. You may be charged for this advice.
- You should keep a copy of this form as it may be useful if you are taking further benefits at a later date.

### Information we need from you

Your Name

Your policy or scheme number

Your daytime phone number

National Insurance No.

--	--	--	--	--	--	--	--	--	--

Do you have any other pensions (*elsewhere and/or with Prudential*)?

Yes

No

Are you already getting a pension income from any previous employer's scheme or other pensions (*elsewhere and/or with Prudential*)?

Yes

No

If you answered **No** to both of these questions, you can ignore most of this form & go to step 4.

If you answered **Yes** to either of these questions, please complete the steps in the following tables. These cover details of all of your UK pensions but ignore pensions from the State.

Including area code.

## Information we need from you – continued

### Step 1: What benefits are you taking now?

Do you expect to take other benefits on, immediately before or just after the benefits covered by this quote?

Yes  No

If **No**, go to step 2.

If **Yes**, please provide details. You must choose the order you will take them even where you are taking benefits at the same time. In HMRC terms, you must choose the order for each Benefit Crystallisation Event (BCE), including your Prudential benefits. We need this information to establish which benefits will be covered by any unused LTA and any which may be liable to a tax charge.

Continue on a separate sheet if necessary.

Order	Scheme name/ pension provider, address, and plan or reference number	Date when you want benefits to start	Expected value of benefits £	Expected value of tax free cash	% of LTA used*
1					
2					
3					
4					
5					

\* We may need to see the statement(s) provided to you (by the scheme(s) or pension provider(s)) showing the percentage of LTA already used. This may mean that payment of benefits will be delayed if you are taking benefits from another scheme or provider immediately before the benefits from Prudential.





**Step 4:** What type of "LTA Protection" are you entitled to, if any?

Please confirm which type of LTA Protection or LTA Enhancement Factors, if any, apply to you and attach a photocopy of the appropriate HMRC certificate. You can get more information on these from HMRC website.

Type of Protection	Tick if protection applies	Certificate attached <i>(tick)</i>
Enhanced Protection*		
Primary Protection*		
Recognised Overseas Scheme Transfer		
Pension Credit		
Pre-Commencement Pension Credit		
Cash Balance Arrangement non-resident		
Other Money Purchase Arrangement non-resident		
Defined Benefits Arrangement non-resident		
Hybrid Arrangement non-resident		

If any certificate is not available, please let us know when you will be able to send it.

\* If you are entitled to both enhanced and primary protection, we will provide benefit quotations on both bases.

Benefit payment will be delayed until you can send us a photocopy of the certificate.

## Information we need from you – continued

### Step 5: Declaration

I confirm that:

- › The information I have given in this form is correct.
- › I consent to:
  - The exchange of information directly between Prudential and the other pension schemes or providers I have mentioned in this form, as may be necessary to facilitate the payment of benefits from my Prudential account/fund, and
  - the deduction of any Lifetime Allowance Charge that I may be liable for from my account/fund before payment.

Signature

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Please return this form and relevant attachments to: Prudential, Stirling FK9 4UE.

### Next steps

When you send back your completed form and any evidence, we will issue revised quotations showing your options, including:

- › separate quotations where you are eligible for both enhanced and primary protection
- › where you are liable for a Lifetime Allowance Charge, a quotation assuming the full excess (after tax) will be used for pension income and a separate quotation assuming the full excess (after tax) is paid as a lump sum – because the tax charge is 25% if the excess is applied for pension income and 55% if paid as a lump sum.



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

"Prudential" is a trading name of The Prudential Assurance Company Limited, which is registered in England and Wales. This name is also used by other companies within the Prudential Group, which between them provide a range of financial products including life assurance, pensions, savings and investment products. Registered Office at Laurence Pountney Hill, London EC4R 0HH. Registered number 15454. Authorised and regulated by the Financial Services Authority.

PROF6527 03/2011