Pension transfers

AF7: 2018–19 edition

Web update 1: 7 August 2018

Please note the following update (amendments in **bold**) to your 2018–19 edition of the **AF7** study text.

Chapter 5, section A1, example 5.1, page 5/4

In the final row of the 'Formula method' table, the remaining LTA calculation should be as follows:

Remaining LTA	**£1.03m – £926,999.96 = £103,000.04**

Chapter 5, section A2, example 5.4, page 5/7

Replace example text with the following:

Example 5.4

Roger, who will shortly be 65, will be retiring and taking the benefits from his defined benefit scheme in **2018/19**. He is entitled to a scheme pension of £40,000 plus a PCLS of £90,000. He has had no previous BCEs, and will also be commencing receipt of his State Pension at age 65.

His benefits are valued as follows:

- his scheme pension is valued using a factor of 20:
  £40,000 × 20 = £800,000; plus
- his PCLS of £90,000.

The total value of his benefits is:

£800,000 + £90,000 = £890,000.

- £890,000 is less than the LTA of **£1.03 million**, so there is no LTA charge.