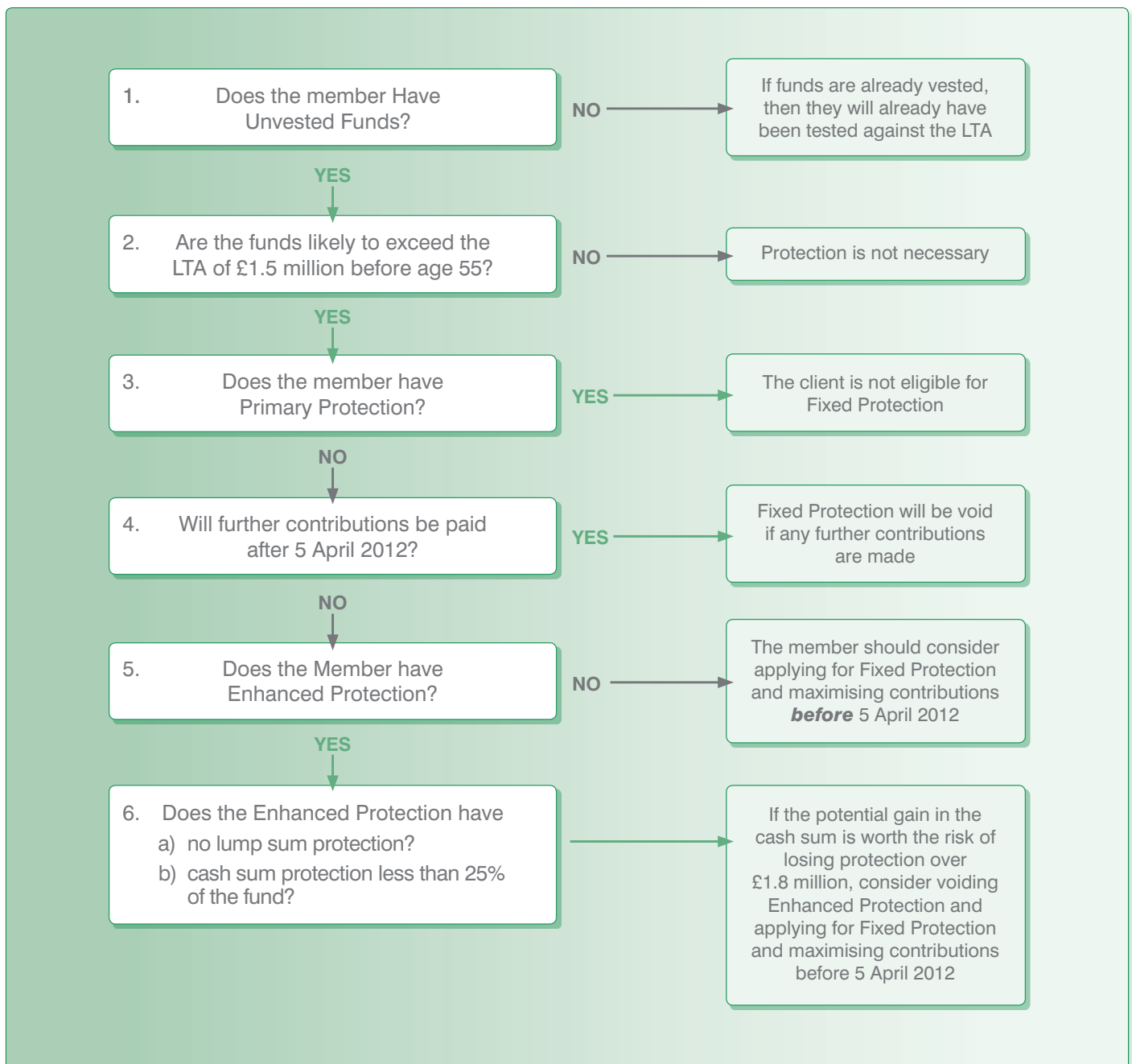


Who should consider applying for Fixed Protection?

With the Lifetime Allowance (LTA) reducing to £1.5 million from April 2012, Fixed Protection will enable your clients to retain the current LTA of £1.8 million thus avoiding a 55% tax charge that would otherwise apply on excess funds when benefits are drawn.

The following flow chart will help you to understand which of your clients should consider applying for Fixed Protection. All applications for Fixed Protection must be received by HMRC by 5 April 2012 **so you need to take action now!**



Notes

This flow chart is provided for guidance only
Dentons is unable to provide advice on the suitability of Fixed Protection for individual clients

Which of your clients should consider applying for Fixed Protection?

The following chart shows the client's current year of birth, assumed retirement at age 55, and the fund size that would be required TODAY if growth is assumed at 3, 5 and 7%.

For example, someone born in 1963 who cannot draw benefits until 2018 when attaining age 55, and who has a pension fund of £1.2 million in 2011, will only need 3% growth per annum for the next 7 years to exceed the Lifetime Allowance or with a fund now of £935,000, 7% growth to exceed the Lifetime Allowance.

Year of Birth	Year Age 55 Attained	Lifetime Allowance	2011 Fund 3.00% Growth	2011 Fund 5.00% Growth	2011 Fund 7.00% Growth
		(£)	(£)	(£)	(£)
1956	2011	1,800,000	1,800,000	1,800,000	1,800,000
1957	2012	1,500,000	1,457,000	1,429,000	1,402,000
1958	2013	1,500,000	1,414,000	1,361,000	1,311,000
1959	2014	1,500,000	1,373,000	1,296,000	1,225,000
1960	2015	1,500,000	1,333,000	1,235,000	1,145,000
1961	2016	1,500,000	1,294,000	1,176,000	1,070,000
1962	2017	1,500,000	1,257,000	1,120,000	1,000,000
1963	2018	1,500,000	1,220,000	1,067,000	935,000
1964	2019	1,500,000	1,185,000	1,016,000	874,000
1965	2020	1,500,000	1,150,000	967,000	816,000
1966	2021	1,500,000	1,117,000	921,000	763,000
1967	2022	1,500,000	1,084,000	878,000	713,000
1968	2023	1,500,000	1,053,000	836,000	667,000
1969	2024	1,500,000	1,022,000	796,000	623,000
1970	2025	1,500,000	992,000	758,000	582,000
1971	2026	1,500,000	963,000	722,000	544,000
1972	2027	1,500,000	935,000	688,000	509,000
1973	2028	1,500,000	908,000	655,000	475,000
1974	2029	1,500,000	882,000	624,000	444,000
1975	2030	1,500,000	856,000	594,000	415,000
1976	2031	1,500,000	831,000	566,000	388,000
1977	2032	1,500,000	807,000	539,000	363,000
1978	2033	1,500,000	783,000	513,000	339,000
1979	2034	1,500,000	761,000	489,000	317,000
1980	2035	1,500,000	738,000	466,000	296,000
1981	2036	1,500,000	717,000	443,000	277,000
1982	2037	1,500,000	696,000	422,000	259,000
1983	2038	1,500,000	676,000	402,000	242,000
1984	2039	1,500,000	656,000	383,000	226,000
1985	2040	1,500,000	637,000	365,000	211,000
1986	2041	1,500,000	618,000	348,000	198,000
1987	2042	1,500,000	600,000	331,000	185,000
1988	2043	1,500,000	583,000	315,000	173,000
1989	2044	1,500,000	566,000	300,000	161,000
1990	2045	1,500,000	550,000	286,000	151,000

Notes

The above figures are only a broad guide as to whether pension funds are likely to reach the Lifetime Allowance. Future funding has not been taken into account. It is possible that the Lifetime Allowance could be amended in the future.

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