PENSION SHARING REPORT

for

Mr [redacted]

&

Mrs [redacted]

Tuesday, [redacted] 2021

Prepared by

Paul Heath MSc FPFS MCSI

Executive summary

- Retirement income ages of **60/65** for Mrs [redacted] have been selected as requested, as **she** is the youngest party.
- I have assessed a total of **three** pensions for **Mr** [redacted] and **two** for **Mrs** [redacted], these include State pension incomes forecasts.
- An equalised amount of *gross pension income* per annum at Mrs [redacted] birthdays, range between **£20,597.08** and **£22,880.79**
- The gross annual pension income required to be shared to equalise income is calculated at between **£9,836.79** and **£10,648.23.**
- The fairest way to equalise retirement income is for Mr [redacted] to share **64.8%** (at age 60) and **52%** (at age 67) from his **MARS** pension only.,
- A pension attachment order is not allowed by the Mars pension trustees, therefore an external transfer of capital to a personal pension is the only suitable method to equalise incomes in this case.

- Mr and Mrs [redacted] will both face costs for transferring Mrs [redacted] pension benefits from her husband's **MARS** pension, as she will be ***unable*** to become a member of the scheme. She will therefore be required to take her share of the **CETV** £321,621.06 *(at age 60) and* £258,090.97 *(at age 65)* and set-up a personal pension to invest for growth. She can purchase an annuity and generate an income for life at any time or enter into pension drawdown. The *MARS* scheme charges **£750.00** for the pension sharing order implementation. Setting up a new pension could be *free* if Mrs [redacted] choses an online provider. There is a lot of work to do herself and she may prefer to appoint an adviser to do this for her. If she chooses an independent adviser to this, it may cost up to **£2,500.** These potential costs and who may be liable for them have therefore been excluded from my calculations and should be considered before a final court decision on a sharing order.
- There are no *Lifetime Allowance* issues with this case.
- Annuity rates used in my calculations are **1.98% to 2.89%.** These rates are checked each month and the applicable rates for the calculation age are updated in our software, ensuring they are appropriate to this case.
- Annual investment growth rates used in my calculations are **3.6%** net of charges.
- CPI Inflation is calculated at **1.7%** per annum, this related to all Defined Benefit (DB) and **2.5%** for the State Pension increase rates.
- A full breakdown of my calculations can be seen in the appendices attached (1 - 2).

- Notes outlining current legislation, allowances, advice process and warnings should be read in conjunction with the report by all parties before agreeing to progress to a Court agreement.

A. BACKGROUND

1. After the matrimonial home, a pension fund is for many people, likely to be the largest asset that is ever owned. It is also an asset that is most likely to be lost to one party on divorce, if no action is taken as part of the divorce proceedings. Benefits lost could include not only a lump sum and a regular income but also benefits payable following death.

2. Pension legislation and regulation has been introduced and amended on a regular basis during the past 30 years and as a result pension law is complicated.

3. Pensions are part of the overall exercise to be performed under MCA 1973[1] s.25. The courts are concerned with equality of outcome and overall fairness[2]. A pension fund is a resource like any other and must be included in any list of assets supplied to the court.

4. MCA 1973 s.25A makes provision for the parties to the divorce, their legal representatives and the courts to try and terminate any ongoing financial ties between the parties to enable them to move on with their lives and not be overshadowed by the relationship that has broken down.[3]

5. As part of divorce proceedings, pensions are usually dealt with in one of three ways:

    a. Pension sharing under MCA 1973, s.24B for petitions filed after 1 December 2000. This is useful for ensuring that income can be provided in retirement for both parties. It provides security for the non-pension member who will have ownership of their own scheme which is not in any way dependant on the former spouse. The disadvantage is that the costs of pension sharing can be significant and disproportionate to the benefit that the pension will provide.

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[1] MCA 1973: Matrimonial Causes Act 1973
[2] White v White (2000)
[3] The Clean Break principle

W v H (Divorce financial remedies) [2020] EWFC B10 concluded that, although cases should be treated on their own merits, when using a pension sharing order in a needs case it is more appropriate to try and achieve equality of income rather than equality of capital when defined benefit schemes are involved.

b. Pension attachment under MCA 1973, ss.25B-25D for petitions files after 1 July 1996. An order is made requiring the payment of part of the benefit that the pension member receives when the benefit is paid. Orders can be made relating to any or all income, lump sum, and death in service benefit elements of a pension scheme. The disadvantage is that benefits are only payable to the non-pension member when the pension member or his estate decides to draw the benefit. As a result, a financial tie will remain between the parties to the divorce, potentially for a substantial number of years if the parties are not close to retirement.

c. Offsetting under MCA 1973, s.25B and 25C for all petitions. This is not a court order but a simple way in which one party will retain certain pension benefits and the other will normally receive a larger share of the other assets to compensate for this. There is no single correct method of achieving this and various methods have been proposed[4,5]. In practice this is driven by the value of the pensions and other resources and also the party's priorities for example:

   i. The pension is small and therefore a pension sharing order would be expensive and disproportionate.
   ii. The parties have a need for the use of other assets such as the home.
   iii. The non-pension member is likely to die before retirement and therefore it would be preferable to receive a benefit now, by way of other assets.

There is concern that ***offsetting*** potentially leads to unfairness with one party being left with an illiquid asset and the other having access to liquid capital. To avoid this, each type of asset should be dealt with separately.[6,7,8]

[4] Martin-Dye v Martin Dye (2006)
[5] Maskell v Maskell (2003)
[6] Martin-Dye v Martin Dye (2006)
[7] *W v H (divorce financial remedies) [2020] EWFC B10*

[8] Pension Advisory Group (PAG)

6. This report relies upon the information provided to us by both parties and we cannot be held responsible if the information is incorrect, or there is other relevant information which has not been disclosed.

W v H (Divorce financial remedies) [2020] EWFC B10 concluded that, although cases should be treated on their own merits, when using a pension sharing order in a needs case, it is more appropriate to try and achieve equality of income rather than equality of capital when defined benefit schemes are involved.

B. OBJECTIVES & INSTRUCTIONS

We are instructed jointly by Mr [redacted] and Mrs [redacted], to provide a report that provides the following:

Please calculate a pension division between [redacted]nd [redacted]to achieve equality of pension benefits on retirement (at the ages of **60 and 65**), including **income** and lump sum entitlement, based on the current pension valuations based on the **entirety of service** and pension accrual to date.

With the same aim in mind of achieving an equal sharing outcome on retirement, please advise Mr [redacted] and Mrs [redacted] with regard to their pension attachment option including the likely resulting pension incomes on divorce compared with the pension sharing option and the aspects of Pension Attachment that they need to be aware of when comparing this with pension sharing.

C. INFORMATION PROVIDED

1. Mr [redacted] was born on [redacted] and he has the following pension benefits:
   a. His State Pension of **£160.21** per week, equates to **£8,359.53** per annum as at **14th March 2021.** His State pension age is 66.
   b. A final salary retirement benefits plan (*In Payment*) with [redacted]**s Retirement Plan (MPP)** with a CETV of **£496,328.79** as of **22nd January 2021.** The plan is in payment with an annual gross pension income of **£16,737.36.** He joined the scheme on **19th November 1990** and left service on the **30th July 2010** (**7211 days in the scheme**). His

normal retirement age was **5th July 2019.** The Trustees of this plan only allow a transfer credit out of the scheme and do not allow an attachment order or internal credit membership to be produced.

c. A final salary retirement benefits plan (*in Payment*) with [redacted] **Pension Scheme.** The plan is in payment with an annual gross pension income of **£2,061.09,** as at 5th April 2020.

2. Mrs [redacted] was born on **3rd January 1967** and has the following pension benefits:
   a. Her State Pension of **£175.00** per week, equates to **£9,141.00** per annum as at **14th March 2021.**
   b. A final salary retirement plan with [redacted] **County Council** with a CETV of **£14,370.53** as of **27th August 2020.** The plan had an annual gross pension income forecast of **£239.09** and a lump sum of **£662.09,** I will convert the lump to income at the target age with an applicable annuity rate. Her normal retirement date is **3rd January 2032 (age 65).**

3. There is **seven years, five months** difference in ages of both parties, **Mrs** [redacted] **being** the younger of the two.

4. I have not been made aware of any impaired life expectancy for either party and therefore limited life expectancy calculations have been ignored from this report.

D. CONSIDERATIONS

1. The following assumptions are used within the report:
   a. CPI[9] inflation of **1.7%** per annum
   b. State pension inflation rate of **2.5%** per annum
   c. Future investment returns of **3.6%** per annum, net of all charges[10]
   d. Annuity rates of between **1.98%** (60) and **2.89%** (65) per annum[11]
   e. Mrs [redacted] 60th and 65th birthdays have been used for calculation purposes as she is the youngest party.

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[9] CPI: Consumer Prices Index
[10] Assumes moderately cautious investment risk profile
[11] Best current open market lifetime annuity rate based on age 60/65 providing an index-linked pension.

f. The [redacted] Council final salary pension income will be reduced by **12.5%** for early retirement at age 60 only.

2. Figures are based on assumptions which may prove incorrect and pension values will be different when the final figures are calculated for pension sharing purposes.

3. Rather than split all pensions equally, consideration should be given to the charges levied by each pension scheme for the implementation of a pension sharing order as this will have an impact on the overall benefits.

E. CONCLUSIONS

1. All the pension benefits and CETVs that have been provided for use within this report are calculated by the relevant pension administrators and it is my conclusion that they are fair and reliable for both parties, when tested against our internal systems. They therefore require no recalculation.

2. Based on the facts and assumptions within this report, I believe a target equalised annual gross income at the following ages, to be both equitable and fair:

Equalising on an income basis

Table E1 Age	**Annual equalised income gross £**	**Amount of income to share to equalise income £ (in today's terms)**	Pension share required of the [redacted] to convert to annuity at the target date to equalise income
Full pension accrual At age 60 (appendix 1)	**£20,597.08 per annum gross**	**£9,836.79**	**64.8%** **£496,328.79** to share £321,621.06 x 5.7 years of growth at 3.6% net = £388,267.11, this converts to an annuity income at 1.98% at **£7,687.69** to equalise income
Full pension accrual At age 65 (appendix 2)	**£22,880.79 per annum gross**	**£10,648.23**	**52%** **£496,328.79** to share £258,090.97 x 10.7 years of growth at 3.6% net = £373,792.70, this converts to an annuity income at 2.89% at **£10,802.61** to equalise income

Note:

The actual income produced by the annuity at the target date (60) is less than the amount to be shared, as Mr [redacted]s pension income falls as a result of the sharing order being implemented.

3. **Orders**

A pension attachment order is not allowed by the [redacted]pension trustees, therefore an external transfer of capital to a personal pension is the only suitable method to equalise incomes in this case.

4. Forecast income in retirement post pension sharing

Table E4 Post pension sharing orders	Gross annual income *Mr* [redacted] £	Gross annual income *Mrs* [redacted] £
Full pension accrual At age 60 (appendix 1)	**£18,450.53**	**£18,447.98** *(difference is for rounding)*
Full pension accrual At age 65 (appendix 2)	**£23,067.11**	**£23,035.17** *(difference is for rounding)*

5. The impact the divorce will have, if any, on the parties' State pension entitlements.

Divorce will have no impact on the parties State pension entitlement.

6. Costs

Mr and Mrs [redacted] will both face costs for transferring Mrs [redacted] pension benefits from her husband's [redacted] pension, as she will be ***unable*** to become a member of the scheme. She will therefore be required to take her share of the **CETV** £321,621.06 *(at age 60) and* £258,090.97 *(at age 65)* and set-up a personal pension to invest for growth. She can purchase an annuity and generate an income for life at any time or enter into pension drawdown. The [redacted] scheme charges **£750.00** for the pension sharing order implementation. Setting up a new pension could be *free* if Mrs [redacted] choses an online provider. There is a lot of work to do herself and she may prefer to appoint an adviser to do this for her. If she chooses an independent adviser to this, it may cost up to **£2,500.** These potential costs and who may be liable for them have therefore been excluded from my calculations and should be considered before a final court decision on a sharing order.

Appendix 1	Showing summary of calculations for a full breakdown and analysis at age 60.
Appendix 2	Showing summary of calculations for a full breakdown and analysis at age 65.
Appendix A	Guidance notes for clients to explain the pensions landscape in 2021.

F. DECLARATIONS

1. I am a Chartered Financial Planner, Fellow of the Personal Finance Society and Member of the Chartered Institute of Securities and Investments with 21 years' financial services experience. I hold a MSc in Financial Planning and Business Management and a range of relevant pension and investment-based examinations as well as acting as a pension trustee and an examiner for the Chartered Insurance Institute in the area of pensions.
2. I can confirm that I am not aware of any conflicts of interest of any kind in the preparation of this report.
3. I will advise the instructing parties if anything changes between the date of this report and the date of the final hearing that effects their circumstances, changes my recommendations, or creates a conflict of interest.
4. I understand my duty to the court and have complied with that duty.
5. I confirm that I have made clear which facts and matters referred to in this report are within my knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed are my true and complete professional opinions on the matters to which they refer.

Paul Heath MSc, FPFS, MCSI

Appendix A

Pension sharing orders
Pension sharing is one of the options available on divorce or the dissolution of a civil partnership. It provides a ***clean break*** between parties, as the pension assets are split immediately. This means that each party can decide what to do with their share independently. If you decide to opt for pension sharing on your divorce or dissolution of your civil partnership, the Court will issue a pension sharing order (PSO) which states how much of your pension, your ex-spouse or partner is entitled to receive. The amount is expressed as a percentage of the transfer value(s) of the pension(s) that are to be split, except in Scotland where it can also be expressed as an amount. Similarly, the pension sharing order may also set out how much of your ex-spouse's or partner's pension you will receive. Each transfer value is worked out the day before the pension sharing order comes into effect.

Pension attachment orders
A pension attachment order redirects part or all of the member's benefits to the ex-spouse or civil partner when it comes into payment. Previous pension earmarking orders made in England, Wales and Northern Ireland will still apply at the member's retirement. This doesn't provide a ***clean break***, as an ongoing link with your ex-spouse or civil partner will remain. On your divorce, or dissolution of your civil partnership, all of your assets and those of your ex-spouse or partner are taken into account. If you decide to opt for pension attachment/ earmarking order, then when the member starts to draw retirement benefits, part or all of them are paid to your ex-spouse or partner. The Court instructs your scheme administrator or pension provider to make these payments to your ex-spouse or partner or vice versa. The Courts prefer a 'clean break' approach to divorces and the dissolution of civil partnerships. Pension earmarking does not fit with this approach.

Equalising Based on Capital

In theory, equalising based on capital should be a *simple* process. The *simple* approach is to add up all the CETVs and fund values that are given by the providers and split these 50/50. Taking that data and agreeing a pension share on that basis.

The problem arises in the fact that final salary pension CETV's are calculated using different assumptions and Defined Contribution fund values change daily, therefore the *simple* approach is flawed. In order to be able to share meaningful data, the figures need to be converted into something ***like for like***. In the same way that capital is converted into an income at the target date, there needs to be a method to convert income into capital (the reverse way):

Methodology:

- Projected income at retirement age is converted into a lump sum using an appropriate annuity rate for the parties' age. This is then added to:
    - The projected amount of specified lump sum for a defined Pension Commencement Lump Sum (PCLS) in a Defined Benefit scheme
    - The projected Fund Value of Defined Contribution funds

This value then provides a meaningful like for like capital value on the same day i.e. the ***target date***. An actual capital value to share from the current schemes at the current time need to be shown, therefore the capital value at target date needs to be discounted back to the date of assessment (today's date).

Straight-Line assessment method

The straight-line method apportions fund values and forecast income (*any anything else you can think of to apportion outside of pensions*). It assumes that the increase from one figure to another, occurs on a straight-line basis (*or average basis*) every day over the period of the scheme membership (active and paid-up).

For example: For someone who has 20 years' pensionable service and a period 10 years marriage within that 20 years'. The amount of pension accrued will vary each year and in reality, this may well be the higher level of pension accrual in the later years, but the assumption is that the accrual/growth occurs steadily overtime and therefore the accrued pension or fund value is split 10 years / 20 years, for ease of calculation i.e. the straight-line method. This assessment technique removes any doubt about what the actual annual salary was in certain years (final salary pensions) and therefore what pension accrual was in each year of service.

Notes on State Pensions

State Pension legislation is changing almost each year. Men and women now have State Pension incomes equalised and will both receive a full State Pensions if they have 35 years full National insurance (N.I.) contributions, prior to their State Retirement age. The forecast used within this report (if applicable) anticipates, that both parties will meet the criteria set above. However, should one party not have a 35 years full National Insurance record at State Pension age, then their actual income in retirement will be lower than forecast. We have not been made aware at this stage of any disability or ill health concerns of either party that would potentially reduce their N.I. record before State Pension age. I have not been advised of any issues in this case and therefore I would expect both parties to receive their State Pensions as per the forecasts used (if applicable).

Investment Risk

This report adopts a Moderately Cautious risk profile when forecasting future returns on investments. It forecasts a net 3.6% per annum after charges. Should one of the parties use a lower or higher risk portfolio within their pensions, then the at retirement capital figure could be higher or lower than forecast. Care should be taken when instructing an independent financial adviser to select the appropriate level of risk to achieve the required capital at retirement.

<u>Pension Freedoms</u>

Annuity rates

The report forecasts future income, using an annuity rate to provide a secure income at retirement at a rate currently available in the open market. Annuity rates are updated every quarter to keep up to date with market conditions, annuity rates may be lower or higher at the time of retirement.

Drawdown pension income

Various types of income drawdown are currently available to someone who is retiring today, these can include: drawdown, flexible access drawdown and a secure income and drawdown combination. These plans may change in the future and there may be various other methods of drawing a retirement income. Whilst drawdown income has not been used in this report, these options may produce a lower or higher level of income at retirement. Both parties should seek independent financial advice at the time of retirement to ascertain what style of income best suits their individual needs at the time.

Financial planning advice

This report does not offer advice to either party in terms of how they will be able to generate their income in retirement, but I would advise that both parties take advice from an independent financial adviser, who can offer advice suited to their needs.

The Calculation Basis for a Pension Sharing Order

Regardless of the type of pension or what a divorcing couple are trying to achieve in terms of sharing income, a pension sharing order will always be granted based on a percentage share of a cash equivalent value (CEV) of a pension scheme. While this may be relatively straightforward when all schemes involved are defined contribution schemes, it becomes much more complicated when defined benefit schemes are being shared. It is further complicated because schemes will recalculate any CEV with effect from the later date of the *Order* being granted and the *Decree Absolute* plus 21 days. This means that the final figures *could* be substantially different from those discussed as part of the divorce proceedings and shown within this report.

When calculating a pension sharing order on the basis of an *equal share* of income at a specific target age

It should be borne in mind that when the parties to the divorce are of different ages, that an adjustment needs to be made to the sharing order percentage to take account of the different timescales required to reach the target age used.

Defined Contribution Schemes

This type of scheme has a monetary value that usually changes daily and will generally increase over time. The value is directly influenced by the amount of contributions made, the growth achieved by the underlying investments and the annual charges deducted from the fund value. At the point of drawing benefits from the fund, the member may opt for a: secured pension; an unsecured pension; or a combination of both in order to meet their individual needs. Valuing this type of scheme for divorce purposes is relatively straightforward as it has a daily monetary value which is used as the CEV figure.

As this type of scheme is monetary based it is fair to base calculations on the actual CEV, however when calculating on the basis of a share of income at a future target date, the fund should be projected forwards and then an appropriate annuity rate applied to give a realistic income figure for sharing purposes.

Defined Benefit Schemes

This type of scheme provides a specified income and tax-free benefit at retirement age, based upon a predetermined formula that is written within the scheme rules. The formula determines the amount of any lump sum, pension income, annual increases, death benefits and the benefits must be provided by the scheme regardless of the cost of the benefits being promised. Members of the scheme can transfer the value of their benefits out of a defined benefit scheme and this CEV is calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008. This CEV is also used for pension sharing on divorce purposes. Various scheme specific assumptions are used within the calculations and these assumptions are not consistent across all schemes. As the benefit derived from this type of scheme is driven by a ***benefit formula*** rather than a monetary value, the calculation is not as straightforward as it is for defined contribution schemes.

As this type of scheme is benefit formula driven, it is fair to use the projected benefits in calculations based on a share of income at a future target date. However, the CEV is not like for like with a defined contribution scheme. It is therefore more appropriate to use a forecast *annuity rate* to calculate the required capital value to provide the income benefit rather than use the scheme produced CEV which does not necessarily represent the full capital cost of the actual benefit to the member.

Offsetting Calculation

In order to calculate a lump sum for offsetting purposes, the starting point is the pension income that is being transferred between parties. Pension income is taxed as earned income; therefore, it is important to first adjust the income figure for income tax to enable a net income figure to be produced. A notional 20% basic rate tax is deducted within this report, to allow for future taxation.

The net income figure should then be converted into a lump sum, using the appropriate age-related annuity rate. The lump sum should then be discounted back to today's terms using an appropriate investment return (3.6%). This report uses an investment rate appropriate for a moderately cautious investor as a default. The figure remaining after discounting, is the figure to use for the **offset *payable*** amount.

Financial Protection for Pension Benefits

Defined contribution schemes and annuities are provided protection under the Financial Services Compensation Scheme should the providers of these schemes fail. Where defined benefit schemes are in deficit and the sponsoring employer suffers a qualifying insolvency event, the scheme pension benefit liabilities may be transferred to the Pension Protection Fund (PPF). The PPF would offer the member a maximum of 90% of the pre-PPF benefits.

Lifetime Allowance

The lifetime allowance is the total amount of tax relieved pension funds an individual can accrue during their lifetime. A tax charge will apply to any amount in excess of the allowance when benefits are *drawn* (taken). Advice regarding the *lifetime allowance* is personal advice and does not form part of this report. If either party is concerned about the *lifetime allowance,* they should seek advice from a qualified independent financial adviser.

Annual Allowance & Money Purchase Annual Allowance

The annual allowance and money purchase annual allowance relate to the maximum amount of tax relievable contributions that can be made in any tax year. A tax charge will apply to any excess contributions, over these allowances. Advice regarding the annual allowance and money purchase annual allowance is personal advice and does not form part of this report. If either party is concerned about the lifetime allowance, they should seek advice from a qualified independent financial adviser.

Disclaimer

The material contained in this report is based upon the information provided to me and I am not responsible for any omissions as a result of incomplete or non-disclosed information. The report is specific to the Law of England and Wales as at the date of the report. It is not intended to constitute, or to be a substitute for, legal advice specific to your case which will be provided by your legal representative.

The assumptions used in this report may prove to be incorrect in the future and the cash equivalent values will be recalculated on implementation and may be substantially different at that time.

Professional witness details for the court

Paul Heath - Pensions on Divorce Expert (PODE)

Director – LJ Financial Planning Limited – Chartered Financial Planners

History

1995 - Joined financial services
1996 - Qualified as an Independent Financial Adviser
2005 - Founded LJ Financial Planning Limited as one of the three original Directors

Responsibilities

- Adviser training and technical support
- Product and investment research
- Dealing with Financial Ombudsman enquiries
- Pension transfer specialist
- Company systems and processes
- Senior examiner in the pension exam team for the Chartered Insurance Institute.

Relevant qualifications

- MSc in Financial Planning & Business Management – 2015
- Fellow of Personal Finance Society – 2007
- Chartered Financial Planner – 2005
- Member of Chartered Institute for Securities and Investment – 2015
- Qualifications specific to pensions (Various Dates):

  o Pension Management Institute: Certificate in Pensions Auto Enrolment
  o Chartered Insurance Institute: AF3, G55, J04, J05, R04, K10, K20, CF9 and R08 o The Pensions Regulator – Trustee Toolkit

- A host of other non-pension financial planning and investment exams held.

Appendix 1 - full pension accrual at age 60 **PENSION SHARING & OFFSETTING BASED ON NOTIONAL INCOME AT TARGET DATE**

Pension Sharing Order Equality of Income			
Total Income	Mr [redacted]	£30,433.86	
Total Income	Mrs [redacted]	£10,760.29	
Combined total Income		£41,194.15	
Equalised Income 50/50		£20,597.08	
Amount of Income to Transfer		£9,836.79	from: Mr [redacted]
Overall Pension Sharing Order		**32.32%**	in favour of: Mrs [redacted]
Pension Sharing Order Equalisation of Capital			
Total capital converted to todays terms	Mr [redacted]	£1,261,633.68	
Total capital converted to todays terms	Mrs [redacted]	£446,067.06	
Combined total capital in todays terms		£1,707,700.74	
Equalised Income 50/50		£853,850.37	
Amount of Capital to Transfer		£407,783.31	from: Mr [redacted]
Overall Pension Sharing Order		**32.32%**	in favour of: Mrs [redacted]
Offsetting Lump Sum Payment			
Lump Sum Required at Target Age	from: Mr [redacted]	£397,445.94	
Present Date Offset Amount	from: Mr [redacted]	**£326,226.65**	
Amount of Present Day Offset Lump Sum Per 1% Pension Share		**£10,093.07**	

NOTES:

1. *Offset figures assume pension income equivilant is paid net of basic rate tax*
2. *All figures are based on CETVs and assumptions which may prove incorrect when the final figures are calculated for pension sharing purposes*
3. *Target years to calculate are taken from the providers fund value calculation and not the clients age to target date.*
4. *To compare capital the projected DB income is converted to lump sum and then any projected defined PCLS and DC funds are added to this amount and the total figure is discounted to today*
5. *For sharing on either basis consideration should be given to where the share is taken from*

Appendix 1 - full pension accrual at age 60

SUMMARY OF PENSION VALUES AND INCOME

Client name	Defined Benefit Plan	Deferred pension	Income forecast at target age
Mr [redacted]	State Pension	£8,359.53	£9,634.83
Mr [redacted]	[redacted] Associates' Retirement Plan (MPP) - In Payment	£16,737.36	£18,492.80
Mr [redacted]	[redacted] Pension Scheme - In Payment	£2,061.09	£2,306.23
Mr [redacted]			
Mr [redacted]			
Mr [redacted]			
Mr [redacted]			
Mr [redacted]			
Sub Total		£27,157.98	£30,433.86

Client name	Defined Contribution Plan	Fund value	Income forecast at target age	Forecast value at target age
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Sub Total		£0.00	£0.00	£0.00
Totals		£27,157.98	£30,433.86	£0.00

Client name	Defined Benefit Plan	Deferred pension	Income forecast at target age
Mrs [redacted]	State Pension	£9,141.00	£10,535.52
Mrs [redacted]	Bucks County Council	£190.54	£224.77
Mrs [redacted]			
Mrs [redacted]			
Mrs [redacted]			
Mrs [redacted]			
Mrs [redacted]			
Mrs [redacted]			
Sub Total		£9,331.54	£10,760.29

Client name	Defined Contribution Plan	Fund value	Income forecast at target age	Forecast value at target age
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Sub Total		£0.00	£0.00	£0.00
Totals		£0.00	£10,760.29	£0.00

Appendix 2 - full pension accrual at age 65

PENSION SHARING & OFFSETTING BASED ON NOTIONAL INCOME AT TARGET DATE

Pension Sharing Order Equality of Income			
Total Income	Mr [redacted]	£33,529.02	
Total Income	Mrs [redacted]	£12,232.56	
Combined total Income		£45,761.58	
Equalised Income 50/50		£22,880.79	
Amount of Income to Transfer		£10,648.23	from: Mr [redacted]
Overall Pension Sharing Order		**31.76%**	in favour of: Mrs [redacted]
Pension Sharing Order Equalisation of Capital			
Total capital converted to todays terms	Mr [redacted]	£797,931.44	
Total capital converted to todays terms	Mrs [redacted]	£291,113.28	
Combined total capital in todays terms		£1,089,044.72	
Equalised Income 50/50		£544,522.36	
Amount of Capital to Transfer		£253,409.08	from: Mr [redacted]
Overall Pension Sharing Order		**31.76%**	in favour of: Mrs [redacted]
Offsetting Lump Sum Payment			
Lump Sum Required at Target Age	from: Mr [redacted]	£294,760.69	
Present Date Offset Amount	from: Mr [redacted]	$\boxed{\textbf{£202,727.26}}$	
Amount of Present Day Offset Lump Sum Per 1% Pension Share		$\boxed{\textbf{£6,383.45}}$	

NOTES:

1. *Offset figures assume pension income equivilant is paid net of basic rate tax*
2. *All figures are based on CETVs and assumptions which may prove incorrect when the final figures are calculated for pension sharing purposes*
3. *Target years to calculate are taken from the providers fund value calculation and not the clients age to target date.*
4. *To compare capital the projected DB income is converted to lump sum and then any projected defined PCLS and DC funds are added to this amount and the total figure is discounted to today*
5. *For sharing on either basis consideration should be given to where the share is taken from*

Appendix 2 - full pension accrual at age 65

SUMMARY OF PENSION VALUES AND INCOME

Client name	Defined Benefit Plan	Deferred pension	Income forecast at target age
Mr [redacted]	State Pension	£8,359.53	£10,900.93
Mr [redacted]	N[redacted]s Associates' Retirement Plan (MPP) - in Payment	£16,737.36	£20,119.04
Mr [redacted]	[redacted]s Pension Scheme - in Payment	£2,061.09	£2,509.04
Mr [redacted]			
Mr [redacted]			
Mr [redacted]			
Mr [redacted]			
Mr [redacted]			
Sub Total		£27,157.98	£33,529.02

Client name	Defined Contribution Plan	Fund value	Income forecast at target age	Forecast value at target age
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Mr [redacted]				
Sub Total		£0.00	£0.00	£0.00
Totals		£27,157.98	£33,529.02	£0.00

Client name	Defined Benefit Plan	Deferred pension	Income forecast at target age
Mrs [redacted]	State Pension	£9,141.00	£11,919.97
Mrs [redacted]	[redacted]unty Council	£239.09	£312.58
Mrs [redacted]			
Mrs [redacted]			
Mrs [redacted]			
Mrs [redacted]			
Mrs [redacted]			
Mrs [redacted]			
Sub Total		£9,380.09	£12,232.56

Client name	Defined Contribution Plan	Fund value	Income forecast at target age	Forecast value at target age
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Mrs [redacted]				
Sub Total		£0.00	£0.00	£0.00
Totals		£0.00	£12,232.56	£0.00