

# Pension Funding Input

All details are input in Light Blue boxes

**1. Input client details.**

Will calculate number of years and complete months to retirement.

Name	Mr X
Male or Female	Male <input type="checkbox"/>
Date of Birth (dd/mm/yyyy)	13/04/1979
Retirement Age	60
Years & months to Retirement	15 yrs & 0 mths

**2. Input current DB pension & expected rate of increase to retirement**

Will calculate expected DB pension at Retirement.

<b>Current Pension Benefits</b>	
Current Defined Benefit pension p.a.	5,000
Expected rate of increase to retirement	2.50%
Expected DB pension p.a at retirement	£7,241

**3. Input current MP fund value**  
• Select frequency of regular cont, &  
• Input cont amount and rate of increase  
• Select whether contributions to stop  
• If Yes, input after how many years  
• Input net growth rate

Will calculate expected MP fund at retirement & PCLS payable

Current Money Purchase (MP) fund value	200,000
Regular Contribution Frequency	Annual <input type="checkbox"/>
Regular Annual Contribution Amount (2)	10,000
Contribution to increase each year by	0.00%
Contributions to stop before retirement?	No <input type="checkbox"/>
Net growth rate	4.00%
Expected Money Purchase fund at retirement	£568,434
PCLS from Money Purchase fund	£142,109

**4. Select expected GAD yield at ret, and input rate of GAD income to be taken**

Calculates pension at retirement based on existing funds/current contributions

Expected GAD Yield at retirement	0.00% <input type="checkbox"/>
GAD Rate	£35
GAD Income	150%
Total expected pension at retirement	£29,624

**5. Input inflation rate and select whether to show figures in today's values.**

<b>Inflation</b>	
Rate of inflation	2.00%
Show inflation adjusted figures? (2)	No <input type="checkbox"/>

Based upon existing assumed net growth rate, calculates;  
• *Single contribution* required to achieve amount of MP fund at ret.

**6. Input pension required at retirement.**

Will then calculate;  
• amount of Money Purchase (MP) fund required at retirement, and  
• Fund shortfall

Shows *growth rate* required to achieve required fund at ret on;  
1. Current MP fund only, or  
2. Current MP fund & regular conts

<b>Required Pension Benefits</b>	
Total amount of Pension required	50,270
Value of MP fund required at retirement	£1,092,788 (3)
Shortfall	£524,354

To achieve required MP fund at retirement, the client must either;

1. Achieve a net growth rate of	11.99%	each year
OR		
2. Pay an Annual Premium of	£10,000	
And achieve a net growth rate of	9.34%	each year

OR

Assuming a net growth rate of

4.00%	each year
3. Pay a Single Contribution of	£406,786 (4)

OR

4. Pay a Single Contribution of	63,610 (4)
Plus Annual Premium of	£29,678

OR

5. Pay a Single Contribution of	£63,610 (4)
Plus AP's increasing at	3.00%
of	£24,458

**7. Or input SC that could be paid**  
Will then calculate;  
• *Regular contribution* required to achieve amount of MP fund at ret.

**8. Or input rate contribution to increase**  
Based on SC input, will then calculate;  
• Increasing *Regular cont* required to achieve amount of MP fund at ret

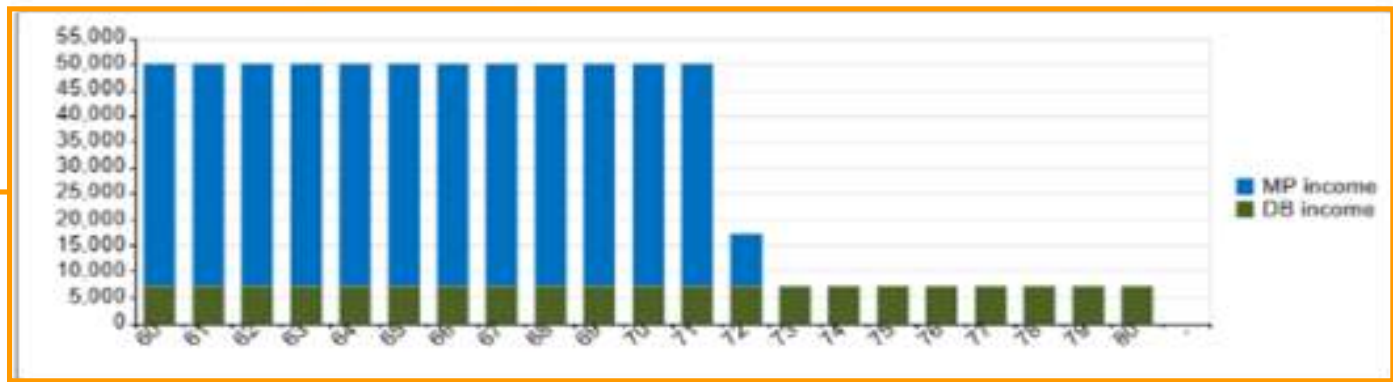
# Pension Funding Charts

All details are input in Light Blue boxes

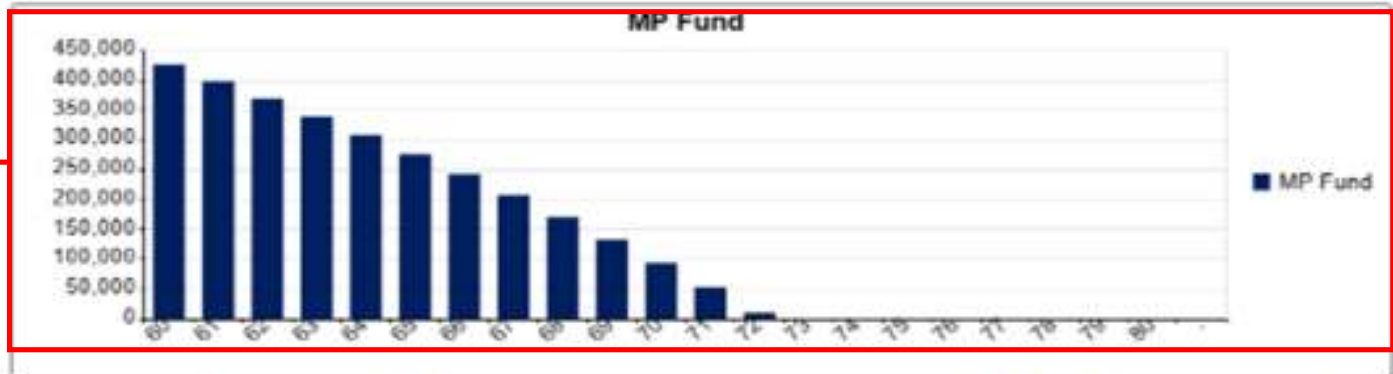
Income required    Required ▼

1. Select whether chart to show income as; GAD, Maintain, or Required

This bar chart shows MP & DB income;  
 • **GAD income**; will vary depending on fund value  
 • **Maintain**. GAD income will stay the same  
 • **Required**. Provide income level that was input.



This bar chart shows the value of the Money Purchase fund each year



This shows DB income, & cashflow of MP fund to provide MP income to meet total income

Age	DB income	MP Fund	MP income	Total	Net fund	Year End
60	£7,241	£428,328	£43,029	£50,270	£383,297	£398,629
61	£7,241	£388,829	£43,029	£50,270	£356,600	£389,824
62	£7,241	£389,824	£43,029	£50,270	£328,796	£339,888
63	£7,241	£339,888	£43,029	£50,270	£296,839	£308,713
64	£7,241	£308,713	£43,029	£50,270	£265,684	£276,312
65	£7,241	£276,312	£43,029	£50,270	£233,283	£242,614
66	£7,241	£242,614	£43,029	£50,270	£199,566	£207,569
67	£7,241	£207,569	£43,029	£50,270	£164,541	£171,123
68	£7,241	£171,123	£43,029	£50,270	£128,094	£133,218
69	£7,241	£133,218	£43,029	£50,270	£90,189	£93,797
70	£7,241	£93,797	£43,029	£50,270	£50,768	£52,799
71	£7,241	£52,799	£43,029	£50,270	£9,771	£10,161