

Recycle Drawdown Income

All details are input in Light Blue boxes

1. Input clients Name, Age attained and Net Relevant Earning details.

2. Select if Capped or Flexi-Access DD, Input DD Fund value after PCLS taken, and net growth rate

3. If **Capped DD** selected, input; GAD Yield, % income to take
If **Flexi Access DD** selected, input Amount of FAD taken, & how much to be recycled

4. Input age when to take PCLS from 'recycled' pension plan, and DD income then to be taken

5. Select beneficiaries tax rate

If client does NOT recycle DD income, These figures show;
• DD fund, maximum income & Lump Sum Death Benefit (LSDB)

If client does recycle DD income, These figures show;
• Benefits payable from the DD plan, and 'Recycled' pension plan, and
• Total benefits from both plans

Name	Mr X
Age	55
Taxpayer	UK (inc. Spc)
Net Relevant Earnings	20,000
Capped or 'Flexi-Access' Drawdown?	Flexi-Access
Fund value (after PCLS)	75,000
Net Growth Rate (%)	5.00%
Amount of FAD income taken to spend	0.00
Amount of FAD income to be 'recycled'	10,000.00
Net Age to take PCLS from 'recycled' plan	55
Income required at retirement	6,000
Growth rate (%)	0.00%
Beneficiaries income tax rate	20%
Comparison of benefits at age 65	
NOT RECYCLE - Drawdown Fund	
Fund value	£122,167
Drawdown income	£7,612
Lump Sum Death Benefit	£122,167
RECYCLE	
Drawdown fund value	£0
Max drawdown income	£0
Lump Sum Death Benefit	£0
'Recycled' plan fund value	£122,167
PCLS	£30,642
Max drawdown income	£5,635
Lump Sum Death Benefit	£122,167
Total pension fund value	£122,167
Total PCLS	£30,642
Total income	£5,635
Total Lump Sum Death Benefit	£122,167

This explains the advantages of Recycling drawdown income

Mr X total pension fund & LSDB will be the same at age 65.
He will then be entitled to a further PCLS of £30642 from the 'recycled' pension fund.
However, this will reduce the total ongoing pension fund and future benefits
- see details on Compare tab
His PCLS will reduce as shown in chart below



Further details of the 'Don't Recycle' & 'Recycle' calculations are shown on separate calculator tabs.

This line chart compares the LSDB of DD plan without recycling, and the plans if client does recycle