LSA and LSDBA - Inputs

All details are input in Light Blue boxes

1. Input client name and
Select any current fund protection applying.

Name	Mr X
Current Lifetime Allowance Protection? (1)	None
Lifetime Allowance (LTA)	£1,073,100

2. If crystallised benefits before 6/4/2006, Select whether Annuity or Drawdown, and income amount as at first RBCE date post 6/4/2006

Will calculate amount of LSA used, and deemed TFC taken for TTFAC

Pensions in Payment before 6/4/2006

Annuity, Capped Drawdown or Flexi Access DD?	Annuity	
Pre-commencement Pension (Amount at 1st BCE post 6/4/2006 or current amount)	15,000.00	LSA Used: £55,890.00

The Tax Free Cash amount deemed to a have been paid is £93750. It is not possible obtain a TTFA Certificate for benefits crystallised before 06/04/

3. Select number scheme Benefit Crystallisation Events between 6/4/2006 – 5/4/2024,

Do not include BCE at age 75 where funds not crystallised.
Include events after age 75 if TFC taken.

Any Benefit Crystallisation Events (BCEs) before 6/4/2024.

For BCEs before 06/04/2024, excluding BCE at age 75 where funds not crystallised, the default position is 25% of the fund was taken as a Tax Free Cash amount.
Based upon the amount of Lifetime Allowance this used, it is converted into amount to reduce the Lump Sum Allowance available.

However, if the Tax Free Cash Amount paid was less than 25% of the fund value or the client took benefits when the lifetime allowance was less than £1,073,100 there is an option to get a Transitional Tax Free Amount (TTFA) certificate.
This could mean more LSA and/or LSDBA available to use against future Relevant Benefit Crystallisation Events (RBCE).

Number of Schemes crystallised before 06/04/2024: 2

4. Input benefit(s) crystallised post 6/4/2006;
- Tax year of crystallisation,
- Protection at BCE
- Amount of fund crystallised, and
- Tax Free Lump Sum taken.

Will calculate amount of SLA used, and **Whether should consider applying for Transitional Tax Free Amount Certificate**

Schemes (Input in chronological order)	Tax year of Crystallisation	Protection at BCE	Lifetime Allowance	Amount of fund Crystallised	Tax Free Cash Amount paid	Percentage LTA used	Deemed amount of LSA used
Scheme 1	2011/12	None	£1,800,000	345,000.00	45,000.00	19.16%	£51,401.49
Scheme 2	2015/16	None	£1,250,000	200,000.00	0.00	16.00%	£42,924.00

The client should consider applying for a TTFA Certificate for Scheme 1 Scheme 2

To use a TTFA certificate, the certificate must be produced before the first RBCE after 5 April 2024.

5. Input any Serious Ill Health Lump Sum payments paid before 6/4/2024

Serious Ill Health Lump Sum payments (2)

Payments made before 6/4/2024: 0.00

6. Input Tax Free Lump Sum payments received after 6/4/2024

Schemes crystallised on or after 6/4/2024

Amount of Tax Free Cash taken: 0.00

7. Input current values of all crystallised And uncrystallised pension funds

Value of Current Pension Funds

Crystallised Funds - Before 06/04/2024 (3)	250,000.00
Crystallised Funds - On or after 06/04/2024	0.00
Uncrystallised Funds	400,000.00
Total Funds	£650,000.00
Defined Benefit Lump Sum Death Benefit	0.00
Annuity/pension protection Lump Sum Death Benefit (4)	0.00

LSA and LSDBA - Summary

TFP Calculators

All details are input in Light Blue boxes

Based upon inputs, this shows;
- The Default **Lump Sum Allowance (LSA)**
- The LSA if a TTFA Certificate is available

And, the actual Tax Free Lump Sum that can be paid - based upon the maximum above and 25% of uncrystallised funds.

Lump Sum Allowance (LSA)

The LSA restricts the amount of Tax Free Cash that can be paid to the client during their lifetime.
The maximum amount of Tax Free Cash is 25% of uncrystallised funds, subject to a maximum of £268,275.
However, the limit of £268,275 can be higher for those with Lifetime Allowance protection.
If some of the Lifetime Allowance has been used previously, the LSA will be reduced accordingly.

The client's Standard Default LSA available is;	£118,058.51
The clients LSA with TTFA Certificate(s) is;	£129,525.00
Assuming the client obtains the TTFA Certificate(s), the maximum Tax Free Lump Sum payable is;	**£100,000.00**

Schemes with Protected Tax Free Lump Sum, only 25% of the fund will be assessed against the LSA available.
Any lump sum paid in excess of the maximum Tax Free Lump Sum limit will be subject to income tax at the members marginal rates.

Based upon inputs, this shows;
- The Default **Lump Sum and Death Benefit Allowance (LSDBA)**
- The LSDBA if a TTFA Certificate is available

And, the actual Lump Sum Death Benefit that can be paid - based upon the maximum above and funds available.

Lump Sum and Death Benefit Allowance (LSDBA)

The LSDBA limits the amount of tax free cash sum that can be paid both during the client's lifetime and on their death.
The LSDBA is £1,073,100 but can be higher for those with Lifetime Allowance protection.
If the client has taken any LSA during their lifetime, this will reduce the LSDBA available on death.

The client's Standard Default LSDBA available is;	£922,884.51
The client's LSDBA with TTFA Certificate(s) is;	£934,350.00

On death before age 75

Any lump sum death benefits paid from funds crystallised before 6 April 2024 will not be tested against the LSDBA.
Any lump sum death benefit paid in excess of the LSDBA limit will be subject to income tax at the beneficiary's marginal rates.
Whereas, if benefits are paid as an income to a beneficiary, income will not be subject to income tax.

Potential maximum Lump Sum Death Benefits to be assessed against LSDBA is;	**£400,000.00**

On death after age 75

All benefits will be subject to income tax at the beneficiary's marginal rates.