



Notes for Form D1

LIFETIME ALLOWANCE DETAILED QUESTIONNAIRE

NOTES TO HELP YOU WHEN COMPLETING THIS FORM

When you have finished reading this form and have been able to sign the questionnaire, please return it to us, along with the appropriate evidence.

You must provide a complete and accurate response to this questionnaire. If you make a false statement or representation whether fraudulently or negligently, you may become liable to a penalty from HM Revenue & Customs.

Failure to return this questionnaire may result in the deferment of the payment of your benefits.

If you are in doubt as to the relevance of any particular information, you should disclose it as failure to do so might affect the benefits payable.

You may wish to visit the members section of the Registered Pension Schemes Manual on the HMRC website, www.hmrc.gov.uk for further information.

You should read the notes below before you complete the questionnaire as they will provide you with more information to help you. If you would like further information on any of the items below you may wish to take independent professional advice (this will be at your own expense).

SECTION 1 – PERSONAL DETAILS

Please check that the details are correct in this section. If not, or not completed, please complete this section and initial any changes or entries.

WHAT AM I DOING NEXT?

We have provided some notes below to help you work out your tax position. The aim is to determine your Lifetime Allowance and value your benefits to assess if there is any tax charge. You will be working out the value of your benefits as a percentage of the standard lifetime allowance and checking it against the allowance at the end.

We require all of the information and evidence so that we can correctly assess your tax position.

WHAT IS THE LIFETIME ALLOWANCE?

This is the maximum amount that can be built up in all registered pension schemes in your lifetime without incurring a tax charge. The Standard Lifetime Allowance is the starting point for this ceiling.

If you were to breach your lifetime allowance, you may face a tax charge (known as a 'lifetime allowance charge') on the value of those benefits that are above the Lifetime Allowance.



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WHAT IS THE STANDARD LIFETIME ALLOWANCE (SLA)?

The SLA for the tax year 2007/08 is £1.6m. This is the usual limit that you will be able to save in total across all of your registered pension schemes throughout your lifetime without incurring any tax charges.

You may need to adjust the SLA, depending on your personal circumstances. Section 7 provides further details of the possible adjustments.

WHAT IS AN 'EVENT'?

These are various benefits that occur on certain occasions that should be included in your assessment. They are referred to as 'benefit crystallisation events' by HM Revenue & Customs, and apply in respect of any registered pension scheme.

These events include:-

- The payment of a pension (and any associated tax free cash lump sum) from a registered pension scheme which may be from a money purchase, final salary or income drawdown arrangement.
- The payment of a serious ill health lump sum.
- The transfer of benefits to a qualifying recognised overseas pension scheme.

HOW DO I VALUE MY BENEFITS?

It is important that you take into account benefits already taken from all registered pension arrangements both past and present, including the date you are taking these benefits. You need to include both money purchase and final salary pensions. You do not need to include any state pensions, widow(ers), civil partners or other dependant's pensions.

You will need to value your benefits dependent on the type of arrangement they are in.

The sections below describe how you should value your benefits.

SECTION 2 – BENEFITS TO BE TAKEN NOW

You need to include all benefits that have not yet been paid but which will be paid on or before the date you draw these benefits. Please complete this section of the application form. Your pension provider should give you the figures you need in your retirement quotation.

EVIDENCE: You must provide us with copies of such quotations/statements.

If you need more space please continue on a separate sheet and attach to the form when you return it to us.



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SECTION 3 – PENSIONS OR ANNUITIES IN PAYMENT

3.1 - Pensions or Annuities started before 6 April 2006

You need to enter details of any pensions you are in receipt of from any registered pension arrangement **before 6 April 2006**. Please complete this section of the application form. If this is the first benefit crystallisation event then you need to calculate the percentage of SLA by following the instructions in the table. If not, you should have been told the percentage when you took benefits at the previous event, so you can simply fill in the % in column (d).

EVIDENCE: It is important that you provide us with evidence that you have benefits which started before the 6 April 2006 and the amount of the annual pension at the date you are taking benefits from the policy(ies) you intend to vest (original bank statement, pension statement).

3.2 - Pensions for Annuities started on or after 6 April 2006

You need to enter details of any pensions you are in receipt of from any registered pension arrangement **on or after 6 April 2006**. Please complete this section of the application form.

You should have received a statement of the % of SLA when the Pension started. If not, you can get the % of the SLA value from the company that is providing your pension benefit, either your employer, if you are in their pension arrangement or an insurance company, if in theirs.

EVIDENCE: You must provide us with copies of such statements.

If you need more space please continue on a separate sheet and attach to the form when you return it to us.

3.3 – Total of Pensions or Annuities in Payment

This is the total from Sections 3.1 and 3.2. Please enter details even if nil and complete this section.

SECTION 4 – INCOME DRAWDOWN

You need to enter any details of Income Drawdown here. Please complete this section of the application form.

If you do have an income drawdown please visit the members section of the Registered Pension Schemes Manual on the HMRC website, www.hmrc.gov.uk in order to place a value on these benefits. Alternatively your income drawdown provider may be able to help you.

EVIDENCE: You must provide us with details of such arrangements.

SECTION 5 – OTHER EVENTS

You need to enter details of any payments you have received from a pension after 6 April 2006. Refer to the notes in Section 1 – What is an event. Please complete this section of the application. You should have received a statement detailing the % of SLA used up as a result of that event. If not, you can get the % of SLA value from your pension provider.

EVIDENCE: You must provide us with copies of such statements.



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SECTION 6 – TOTAL OF BENEFITS

This section is used to total your percentage of SLA used up by both your existing benefits and benefits from this policy or policies. Please complete this section of the application.

SECTION 7 – CHANGES TO THE STANDARD LIFETIME ALLOWANCE

WHAT IS ENHANCED AND PRIMARY PROTECTION?

Enhanced Protection and Primary Protection allows you to protect the total value of your pension policies across all registered pension schemes that you have accrued up to 5 April 2006.

Enhanced Protection allows you to take all of your benefits without incurring any tax charge, provided you have met certain conditions. This form of protection is not dependent on the size of your benefits from your registered pension schemes.

Primary protection is only available where the value of all of your pension arrangements was above £1.5m on 5 April 2006. However, you may still face a tax charge even if you have registered for Primary Protection.

If you have registered for Primary and/or Enhanced Protection with HMRC, you should have received a certificate from HMRC. Please provide us with a copy of the certificate. We will assume that any certificate that you provide us is a valid certificate, if subsequently this is found not to be the case you may be subject to a fine from HMRC.

Where you have applied for Primary Protection, your certificate will state a 'Primary Protection factor'. In this case, you must increase your SLA by applying the following formula:

Increased SLA = (1 + primary protection factor) *100%

So, if you have a primary protection factor of 0.5, your enhanced SLA will be 150% of SLA.

WHAT IS A LIFETIME ALLOWANCE ENHANCEMENT FACTOR?

There are circumstances where your lifetime allowance may be more than the SLA. This enhancement comes from a number of defined factors that are called 'lifetime allowance enhancement factors'.

These include:

- Pension credit rights as a result of a pension sharing order.
- Rights build up during a period of non UK residency.
- Registration to protect accrued rights as at 5 April 2006 under Primary Protection.
- The transfer of benefits into a registered pension scheme from a recognised overseas pension scheme after 5 April 2006.

If you have registered for any of these factors with HMRC, you should have received a certificate from HMRC. Please provide us with a copy of the certificate. We will assume that any certificate that you provide us is a valid certificate, if subsequently this is found not to be the case you may be subject to a fine from HMRC.

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Where you have applied for a lifetime allowance enhancement factor(s), you must increase your SLA by applying the following formula:

Increased SLA = (1 + lifetime allowance enhancement factor) * 100%

So if you have a recognised overseas transfer factor of 0.3, your increased SLA will be 130% of SLA.

(If you are entitled to more than one factor, these should be added together to give the value of the lifetime allowance enhancement factor).

WHAT IS A REDUCED SLA?

There are circumstances where your SLA might be reduced. This will generally occur if you have an unqualified right to take benefits before age 50.

In order to calculate your reduction in SLA, you must use the following formula:

Reduction Factor = (2.5% * Number of complete years between retirement date and minimum pension age).

For example, if you have an unqualified right to retire at age 39 and your minimum pension age is 50 and there are 10 complete years in between, the reduction in SLA is

$2.5\% * 10 = 25\%$

Therefore, your reduced SLA would be 75%.

EVIDENCE: You must provide us with evidence of your entitlement of a retirement age that is below the normal minimum pension age.

SECTION 8 – ORDER OF EVENTS

WHY DO I NEED TO DECIDE ON THE ORDER IN WHICH MY BENEFITS ARE TAKEN?

If you anticipate other events occurring at the same time as your retirement on this policy(ies) and you are likely to exceed your Lifetime Allowance, you may face a lifetime allowance charge.

Use the total you have calculated in Box H. If this is less than 0% you are likely to exceed your Lifetime Allowance.

In this situation, you will need to inform all of the scheme administrators involved on the order in which you would like your benefits to be tested against the SLA. This is to enable the relevant scheme administrator to make an appropriate allowance for any tax that is due.

(Note that where a tax free cash lump sum is taken, this is assumed to occur immediately before the associated pension).



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SECTION 9 – PENSION COMMENCEMENT LUMP SUM

The Pension Commencement Lump Sum (PCLS) is the new name for the tax free cash lump sum.

WHAT IS A DISQUALIFYING PENSION CREDIT?

These are pension credits that when you became entitled to them, came from benefits held by your ex-spouse that were already in payment.

WHAT IS AN UNSECURED PENSION?

These are payments of income withdrawals direct from a money purchase arrangement or income paid from a short term annuity contract purchased from such an arrangement.

EVIDENCE: You will need to provide us with evidence of such pension credits or unsecured pensions.

WILL THERE BE ANY RESTRICTIONS ON THE AMOUNT OF PENSION COMMENCEMENT LUMP SUM I CAN TAKE?

The PCLS available to you, will generally be 25% of the value of your funds on your retirement date (excluding any disqualifying pension credits and any funds designated to provide an unsecured pension). However, if this is greater than 25% of your available SLA your PCLS will be restricted.

Note that this calculation takes no account of any lifetime allowance enhancement factors so your SLA is not increased by these factors.

WHAT IF I THINK I AM ENTITLED TO A PCLS OF MORE THAN 25% OF MY FUND?

If you believe your entitlement to a PCLS on 5 April 2006 was more than 25% of your fund (and you have not registered for Enhanced and/or Primary protection), you should have ticked the relevant box on the option selection form.

We will calculate whether or not you are entitled to this protection based on the information you provide us with. Please note you do not need to apply to HMRC for this protection.

WHAT IF I HAVE REGISTERED FOR ENHANCED AND/OR PRIMARY PROTECTION AND MY PCLS RIGHTS ARE WORTH MORE THAN £375,000?

If the total value of your lump sum rights exceed £375,000 on 5 April 2006 and you have registered for Enhanced and/or Primary protection you should have received a certificate from HMRC showing the value of your protected lump sum rights. Please provide us with a copy of the certificate. We will assume that any certificate that you provide us is a valid certificate, if subsequently this is found not to be the case you may be subject to a fine from HMRC.

If you have registered for primary protection, your protected lump sum rights will be shown as a monetary amount. The indexed value of this lump sum can be payable as a tax free lump sum (provided your increased SLA has not been entirely used up).



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If you have registered for enhanced protection your lump sum rights which have already been built up will be shown as a percentage. This percentage is fixed and will apply each time you take benefits after 5 April 2006 (provided your enhanced protection remains valid).

When calculating your entitlement, this form of protection takes priority over 25% lump sum protection.

SECTION 10 – DECLARATION AND SIGNATURE OF POLICYHOLDER

Please read and agree the declarations then sign, date and return this form with your other forms, to:

**WINDSOR LIFE ASSURANCE, WINDSOR HOUSE, IRONMASTERS WAY,
TELFORD, TF3 4NB.**

You must provide us with evidence of the information contained within this form before we can proceed.



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SECTION 1 – PERSONAL DETAILS	
Surname	Forenames
Policy No	
National Insurance Number	

SECTION 2 – BENEFITS TO BE TAKEN NOW		
Date of taking these benefits		What is the % of SLA?
Vesting Date:	Value of this policy £	%
	Value of any other pensions due £	%
	£	%
	£	%
Total % of SLA =		% (Box A)

SECTION 3 – PENSIONS OR ANNUITIES IN PAYMENT			
3.1 Pensions or Annuities started before 6 April 2006			
Are you in receipt of a pension from your employer's pension arrangement or any former employer's pension arrangements?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Have you bought a lifetime annuity from an insurance company with the funds built up in a pension arrangement?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
If you have answered no to both of these questions enter 0 in Total 3.1 and move to Section 3.2. If you have answered yes to any of the questions in this section, you must complete the rest of section 3.1.			
Is the vesting of your policy your first benefit crystallisation event?	<input type="checkbox"/> Yes – Complete the rest of section 3.1	<input type="checkbox"/> No – please see instructions below.	
No – If this is not the first benefit crystallisation event after 6 April 2006, you should have received a statement in relation to that event that also allows for any pensions that started before 6 April 2006 in which case you simply need to use the percentage on that statement for Total 3.1.			
3.1 continued – To value your pensions in payment			
Enter in the boxes below the annual amount of gross pension you will receive at the date of retirement of the policy(ies) you intend to vest.	Multiply the figure in 3.1a by 25	Divide the figure in 3.1b by the SLA at the date you are taking these benefits.	Multiply the figure in 3.1c by 100 to get the percentage of SLA
3.1a £	3.1b £	3.1c	3.1d %
£	£		%
£	£		%
Total % of SLA =			% (Total 3.1)



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SECTION 3 – PENSIONS OR ANNUITIES IN PAYMENT (Cont/d)

3.2 Pensions or Annuities started on or after 6 April 2006

Are you in receipt of any benefits from your employer's pension arrangement or a former employer's pension arrangement?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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Have you received a tax free cash lump sum and/or bought a lifetime annuity from an insurance company with the funds built up in a pension arrangement?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to both of these questions enter 0 in Total 3.2 and move to Section 3.3. If you have answered yes to any of the questions in this section, you must complete the rest of section 3.2.

3.2 continued – To value your pensions in payment

Name of pension arrangement and provider	% of SLA
1.	%
2.	%
3.	%
Total % of SLA =	
% (Total 3.2)	

3.3 Total Pensions or Annuities in payment

% from Total 3.1	%
% from Total 3.2	%
Total % of SLA =	
% (Box B)	

SECTION 4 – INCOME DRAWDOWN

Do you have any other type of arrangement such as income drawdown?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to this question enter 0 in Box C and move to Section 5. If you have answered yes to this question, you must enter the total % of SLA used up by this arrangement in Box C and move the Section 5.

Total % of SLA =	
% (Box C)	

SECTION 5 – OTHER EVENTS

Have you transferred any pension arrangement to a qualified recognised overseas pension scheme?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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Have you taken a serious ill-health lump sum from any registered pension scheme?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to this question enter 0 in Box D and move to Section 6. If you have answered yes to any of the questions in this section, you must complete the rest of section 5.

To Value Other Events

Payment Type (transfer, ill-health lump sum)	Amount of fund £	Date of payment	% of SLA
	£		%
	£		%
	£		%
Total % of SLA =			% (Box D)

SECTION 6 – TOTAL OF BENEFITS

Please add total A + B + C + D together	% (Box E)
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SECTION 7 – CHANGES TO THE STANDARD LIFETIME ALLOWANCE

7.1 Have you registered for Enhanced Protection?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If you have answered no to this question move to Section 7.2. If you have answered yes to this question, please provide us with a copy of the HMRC certificate confirming registration for enhanced protection.			
7.1a Have you included a copy of this certificate with this form?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
7.2 Have you registered for Primary Protection or are you entitled to any other type of lifetime allowance enhancement factor(s)?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If you answered no to this question please move to Section 7.3. If you have answered yes to this question, please provide us with a copy of the HMRC certificate confirming registration for the lifetime allowance enhancement factor and quote your enhancement factor in the box below.			
7.2a Have you included a copy of this certificate with this form?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Enhancement Factor			
$(1 + \text{Factor}) * 100$	(Box F)		
7.3 Do you have a reduced SLA?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If you answered no to this question please move to Section 7.4. If you have answered yes to this question, please quote your reduction % in SLA.			
Reduction Factor			
$(1 - \text{Factor}) * 100$	(Box G)		
7.4 What percentage of the Standard Lifetime Allowance (SLA) will you have available on your retirement? Calculate for the one box that applies below.			
No Change to SLA 100 minus Box E = %	Increased SLA Box F minus Box E = %	Reduced SLA. Box G minus Box E = %	
Total Available	% (Box H)		

SECTION 8 – ORDER OF EVENTS

Do you anticipate that your benefits will exceed your revised available SLA ? (i.e. Is Box H less than 0%)		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If you have answered no to this question move to Section 9. If you have answered yes to this question, please complete the rest of this section.			
Do you anticipate other 'events' with any other registered pension scheme occurring at the same time as taking the benefits from this policy/these policies with Windsor Life?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If you have answered no to this question move to Section 9. If you have answered yes to any of the questions in this section, please complete the rest of this section.			



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SECTION 8 – ORDER OF EVENTS (Cont/d)

Please specify the order in which you would like to take your benefits

1.
2.
3.

SECTION 9 – PENSION COMMENCEMENT LUMP SUM (TAX FREE CASH)

Do you intend to take a pension commencement lump sum?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to this question move to Section 10. If you have answered yes to this question, please complete the rest of this section.

Do you have any disqualifying pension credits from any registered pension scheme?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to this question move to the next question in this section. If you have answered yes to this question please provide details in the box below.

Have you designated any funds to provide you with an unsecured pension in respect of any registered pension?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to this question move to the next question in this section. If you have answered yes to this question please provide details in the box below.

Have you taken any of the benefits from a pension plan in the form of a tax free cash lump sum before 6 April 2006?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to this question move to the next question in this section. If you have answered yes to this question please provide details in the box below.

Have you taken a tax free cash lump sum prior to 6 April 2006 in respect of an associated pension that you deferred until after 6 April 2006 from the same employer?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to this question move to the next question in this section. If you have answered yes to this question please provide details in the box below.

Have you taken any tax free cash lump sum benefits after 6 April 2006 in respect of any registered pension scheme?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If you have answered no to this question move to Section 10. If you have answered yes to this question please provide details in the box below.



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SECTION 10 – DECLARATION AND SIGNATURE OF POLICYHOLDER

I declare that:

- All information contained in this questionnaire is accurate and complete.
- I understand that if I knowingly give false information, I will be subject to a substantial fine by HM Revenue & Customs.
- I have included evidence (Statements from providers, bank statements, etc) confirming the information contained within this questionnaire.
- I have disclosed any other information about my pension arrangements that could affect my tax position that is not covered elsewhere on this form.

Signature		Date	
Print Name			