Pension transfers

AF7: 2017–18 edition

Web update 1: 18 August 2017

Please note the following updates to your copy of the **AF7** study text:

Chapter 3, Scenario – how to approach your answer, page 3/33

Please replace the existing calculations below the introductory text to read as follows:

The lump sum payable is:
£36,000 × 3 = £108,000

The pension is calculated as follows:
25/60ths × £36,000 = £15,000 p.a.

The spouse pension payable is:
£15,000 × 50% = £7,500

Change to money purchase annual allowance

Be aware

The Government has announced that the second 2017 Finance Bill to be introduced in the autumn will legislate for policies, such as the reduction of the money purchase annual allowance (MPAA), that have already been confirmed as applying from the start of the 2017/18 tax year. The dates of application will be retained and applied as originally announced. Examinations from 1 September 2017 onwards will, therefore, test on the basis that the reduced MPAA applies for the 2017/18 tax year.

This change affects the following section:

- Chapter 6, section F2A, page 6/23.