

## **Real life example of a teacher who was recently helped.**

- Female Deputy Head Teacher
  - 58 years old
  - 34 years service
  - Current salary approx. £38,500
  - She wants to retire as a Deputy Head and just teach for 2 days per week
  - She also had a `buy-to-let` property with a mortgage of £40,000 for which mortgage payments cost her £1,500 per month.
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After seeing a pension advisor he advised her to take her pension annuity and work 2 days per week as she wanted to do. The advisor wrote to the pension fund and they said that she could have:

- £50,491 tax free cash lump sum
  - £16,830 p.a. income
  - If she died her spouse would receive an income of just £4,847 p.a.  
*(this would normally be 50% of her annuity income but this was drastically reduced because she had a break in service to have children)*
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### **She then spoke to an introducer from Tailor Made, our Agents:**

After writing to the pension fund they got a cash equivalent transfer value of £386,499.

#### **This was transferred to a SIPP to give her control over it and any investments**

Following the transfer to a SIPP and after being introduced to the various investment opportunities, she decided (with guidance) the investments and she now gets the following:

- 25% lump sum - £96,625 – it was suggested to her that she could pay off her `buy-to-let` mortgage and in the process save £1,500 per month she was paying for the mortgage.
- This left her with £56,625 tax free cash lump sum
- Of the remaining funds (£289,874), approx. £160,000 was invested by Tailor Made on her instruction, in to specific property in the Caribbean,
  - from which she receives 10% of her £160,000 investment as an annual income - £16,000 for the first 2 years,
  - then 50% of the rental income of the property = approx. £37,230 p.a. thereafter. *(based on 85% occupancy (310 nights) at £240 per night)*
  - Plus she owns the asset of the property which continues to increase in value.
- If she dies her spouse would now either get:
  - 45% of the fund value - £157,500 *(55% goes to the tax man)*
  - OR, he could keep the SIPP and the property investment going and receive the same annual income as she did.
  - If he dies the children have the same options as him – 45% or keep the investment going