

INTRODUCTION TO RETIREMENT ANNUITY TRUSTS

EXAMPLE 1

Mr X has a pension pot of £200,000 in his RAT.

He has a house worth £450,000 with an outstanding mortgage of £50,000.

Questions:

1. What options does he have to pay off his mortgage?
2. How can his RAT help him to do this?
3. What savings would this give to him?