

# Pensions tax

FEBRUARY 2017

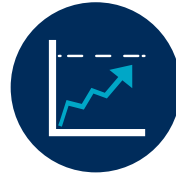
## WHAT MIGHT YOU WANT TO CONSIDER BEFORE 5 APRIL 2017?

### Actions for trustees and sponsors



#### IP14 Deadline

Issue reminder that 5 April 2017 is the deadline for qualifying individuals to apply for Individual Protection 2014 and a Lifetime Allowance between £1.5m and £1.25m.



#### Review capping policy?

Would your members and employees appreciate an option to cap pension savings at £10k pa? As carry forward starts to run out, now is a good time to consider policy. Those employers that introduced caps for 2016/17 might want to check they are working as planned.



#### Tapered Annual Allowance

The end of the first year of the tapered AA is approaching. Would a reminder to high earners be helpful before they make any big year-end contributions and start the second year under the taper?



#### Pension savings statements

Statements only have to be issued proactively by October 2017 to those with pension savings in a scheme of more than £40k in 2016/17, even if it is obvious their Annual Allowance is lower under the taper. Consider providing statements to a wider group, say all on salaries over £80k pa with pension savings over £10k in the year. Pension savings statements are often issued well after the end of the tax year - how about issuing forward looking estimates early in the 2017/18 tax year?



#### AA carry forward from 2013/14 soon to be lost

Unused Annual Allowance can only be carried forward three years. Allowance from 2013/14 (when the Annual Allowance was £50k) will be lost on 6 April 2017 if still unused.



#### £4k Money Purchase Annual Allowance (MPAA)

From 6 April 2017 the Annual Allowance for DC pension savings is proposed to fall from £10k to £4k for those that use (or have used) certain Freedom and Choice flexibilities. Do your members and employees know?

### What is everyone else doing?

Results of our survey of how companies have responded to the April 2016 pensions tax changes is available to

[download here](#)



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