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Membership No: SD

Date:

Dear

## **NHS Pension Scheme – Annual Allowance Pension Savings Statement (\*\*\*\*/\*\*\*\*)**

### ***What is Annual Allowance?***

The Annual Allowance, set by HM Revenue and Customs (HMRC), is the maximum amount of pension savings you can receive tax relief on each year. The total growth in the value of NHS benefits and other pension arrangements is capped at £50,000.

If the growth in your pension savings is more than the Annual Allowance then a tax charge may be payable on the amount over £50,000. This is the Annual Allowance Charge.

All pension savings, except a State Pension, must be tested against the Annual Allowance each tax year. This includes any other pension savings that you may hold outside the NHS Pension Scheme.

### ***Why have we issued a pension savings statement?***

We have sent this statement for one of the following reasons: -

- our records show that the growth of your NHS Pension Scheme savings exceeds the Annual Allowance,
- you have requested one,
- a third party has requested one on your behalf (you will need to forward this to them)
- we have revised a previous statement due to a notification of amended data

### ***What is included in the pension savings statement?***

The statement shows the growth in your NHS benefits, known as the pension input amount. The pension input period in the NHS Pension Scheme is from 1 April to the following 31 March.

The statement does NOT include any additional pension savings that you may hold with either the NHS Money Purchase AVC Scheme or another pension provider.

**Final/Provisional Pensions Savings Statement - Section**  
**Relevant Tax Year /**

<i>Pension input period</i>	<i>Pension input amount</i>	<i>Annual Allowance</i>
01/04/ to 31/03/	£	£50,000

**Assessment for the Previous Three Pension Years (where available)**

<i>Pension Input period</i>	<i>Pension input amount</i>	<i>Annual Allowance</i>
01/04/ to 31/03/	£	£50,000
01/04/ to 31/03/	£	£50,000
01/04/ to 31/03/	£	£50,000

A zero (£0.00) entry in the pension input amount means:

- there were no contributions made to the NHS Pension Scheme in that pension input period or
- after applying CPI (Consumer Price Index) to the preceding year there has been no growth in the pension input period.

If this is a provisional statement, it is based on estimated pensionable profit/pay. A final statement will be sent within 3 months of us receiving the certified information.

*The pension savings statement has been produced based on information supplied by the relevant NHS Employing Authority, Clinical Commissioning Group or NHS Connecting for Health.*

### ***What does the statement mean?***

Where the total pension input amount exceeds the Annual Allowance in the relevant tax year there may be an Annual Allowance Charge.

However, if you have any unused Annual Allowance which you are able to carry forward from the previous three tax years, up to a maximum of £50,000 each year; there may not be an Annual Allowance Charge. This is because the carry forward of any unused Annual Allowance may offset, in part or in full, any pension saving growth in excess of the Annual Allowance.

To help you assess if this might apply, the statement also shows the growth in your NHS benefits in the previous three years where available.

Please remember that this statement does NOT include any additional pension savings that you may hold with either the NHS Money Purchase AVC Scheme or another pension provider. You will need to add the pension input amounts from your other pension providers to the pension input amount quoted in this statement in order to calculate your total pension input amount.

### ***What happens next?***

You are responsible for establishing and calculating any Annual Allowance Charge, which is calculated at the same marginal tax rate as your taxable income.

The NHS Pension Scheme is not responsible for establishing or calculating an Annual Allowance Charge. A calculator to aid you with this is available on HMRC's website at: [www.hmrc.gov.uk/tools/pension-allowance/](http://www.hmrc.gov.uk/tools/pension-allowance/)

The Annual Allowance Charge must be declared to HMRC by completing a Self Assessment tax return. If necessary this can be obtained from HMRC by registering at: [www.hmrc.gov.uk/sa/register.htm](http://www.hmrc.gov.uk/sa/register.htm).

### ***Scheme Pays***

We may be able to help if the growth in your NHS benefits exceeds £50,000 and the Annual Allowance Charge is more than £2,000. You can make an election for the NHS Pension Scheme to pay all or part of the Annual Allowance Charge out of your NHS benefits **before** they are paid. While this will permanently reduce the value of your benefits it means that the Annual Allowance Charge does not have to be paid up front. A factsheet entitled 'Estimating the Cost of Scheme Pays' is available on our website.

### ***Where can more information about the Annual Allowance be obtained?***

It is important to remember that we are unable to provide advice on personal tax circumstances. We would recommend that independent advice is sought if you have any uncertainty about the tax implications.

Information about Annual Allowance and Scheme Pays is available on our website at: [www.nhsbsa.nhs.uk/Pensions/3822.aspx](http://www.nhsbsa.nhs.uk/Pensions/3822.aspx) .

More detailed information about Annual Allowance can also be found on HMRC's website at: [www.hmrc.gov.uk/pensionschemes/reliefs-charges](http://www.hmrc.gov.uk/pensionschemes/reliefs-charges).

Yours sincerely

NHS Pensions