

Maximum Pensions Benefits - The Lifetime Allowance

You may recall that back in 2006 we informed scheme members of changes to the tax regime which govern all pension schemes within the UK. Basically the limit on pensions of a maximum of 40 years service was replaced with a limit on the maximum value of a person's pension fund (or funds if they have more than one) - the lifetime allowance. Currently the lifetime allowance is £1.65 million so its not something for the majority of Council staff to worry about.

When this new limit was introduced there were some complex safeguards for those people who already enjoyed pension rights with a value more than the Lifetime Allowance - Primary Protection, or for those who felt that they may exceed this limit in the future - Enhanced Protection.

Scheme members should note that the period during which a person may register themselves with HM Revenue and customs for either Primary of Enhanced Protection ends on the 5th April 2009.

More information on these protections can be obtained from <http://www.lgps.org.uk/lge/core/page.do?pageld=100799>

Please note that this is a personal taxation matter and as such it falls to scheme members to process any application for protection directly with HM Revenue and Customs. The Pensions Team **cannot** act on your behalf.

To put all this into context the 2008/2009 lifetime limit is £1.65 million and that currently equates to a pension of about £82,000 a year. This is therefore clearly not something for the majority of us to worry about. If however you feel that you may be affected, please follow the link and then take appropriate follow up action directly with HM Revenue and Customs.