

---

## JSS Pensions Administration

---

Polaris House, North Star Avenue, Swindon, Wiltshire, SN2 1UY

### Information for Research Councils' Pension Scheme Members

#### LIFETIME ALLOWANCE CHANGES

HMRC are reducing the Lifetime Allowance limit which determines how much pension an individual can accrue in their lifetime before having to pay a tax charge. HMRC have already reduced this from £1.8m to £1.5m in 2012. On 6 April 2014 it will be further reduced to £1.25m. As with previous reductions HMRC are offering people the opportunity to apply for protection. The latest protection is called [Fixed Protection 2014](#) which enables people to fix their lifetime allowance limit at £1.5m. **The deadline to apply for "Fixed Protection 2014" is 5<sup>th</sup> April 2014.**

#### **Employees that may be affected**

Employees that are likely to be affected from 6 April 2014 are those in the Classic scheme with an expected annual pension of £54,000 or more and those in Classic Plus, Premium or Nuvos schemes with an expected annual pension of £62,500 or more. To accrue pensions of this level an employee will usually have a salary of £90,000 p.a. as well as long service in the pension scheme; generally in excess of 30 years.

Employees will have been notified of their expected annual RCPS pension in their latest Individual Benefit Statement.

Employees with an expected RCPS pension lower than the figures stated above could be affected if they have external pensions, either from a previous employer or from a personal pension plan.

Employees with pensions that may be slightly under the new £1.25m limit now but could exceed it in the future may want to take out the protection offered by HMRC.

#### **Applying for Protection**

People that want to apply for Fixed Protection 2014 can do so through the online form on the HMRC website:  
<http://www.hmrc.gov.uk/pensionschemes/fp14online.htm>

#### **Further Information**

HMRC have more detailed information on the Lifetime Allowance and other pension tax changes on their website:  
<http://www.hmrc.gov.uk/pensionschemes/lifetime-allowance.htm>

The Civil Service Pensions website also has more information regarding these changes:  
<http://www.civilservice.gov.uk/pensions/pensions-and-tax>

*JSS do not provide any financial advice or recommendations therefore nothing in this communication should be interpreted as constituting financial advice. You should obtain independent financial advice on any specific issues concerning you.*

**JSS - Contact details**

E-mail: [JSS.members@bbsrc.ac.uk](mailto:JSS.members@bbsrc.ac.uk)

Website: <http://jsspensions.nerc.ac.uk/>