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Website: www.nhsbsa.nhs.uk

Membership No: SD

Date :

Dear

NHS Pension Scheme – Annual Allowance Pension Savings Statement (2014/2015).

We are writing with important information about your pension savings in the NHS Pension Scheme and HMRC's Annual Allowance. **You need to take action to work out whether you have a tax charge to pay.**

Your Annual Allowance statement is shown below. We have sent this statement for one of the following reasons:

- Our records show the growth of your NHS benefits exceeds the Annual Allowance (based on the information held on your pension record at the time of the calculation).
- You have requested a statement.
- 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.

Pension Input Period Start	Pension Input Period End	Annual Allowance	Growth (Pension Input Amount)
01/04/2014	31/03/2015	£40,000	£

Details of NHS benefit growth in your 'carry forward' years are shown below:

01/04/2013	31/03/2014	£50,000	£
01/04/2012	31/03/2013	£50,000	£
01/04/2011	31/03/2012	£50,000	£

Paying the correct level of tax is your individual responsibility. NHS Pensions is unable to give advice on your personal tax circumstances, or undertake any tax liability calculations for you.

The 'Important Information' section of this statement provides guidance on the action you must now take. Also included is an explanation of how we have calculated your NHS benefit growth, information on the use of unused Annual Allowance from your carry forward years as well as where to find further information on Annual Allowance.

Yours sincerely
NHS Pensions

Important Information

The growth in all your pension savings, except a State Pension, must be tested against the Annual Allowance each tax year. This statement does not include details of any pension savings you may hold with either the NHS Money Purchase AVC Scheme or any other pension provider.

How the growth is calculated

The pension input period in the NHS Pension Scheme is 1 April to 31 March. The growth is not the amount of contributions you or your employer has paid into the NHS Pension Scheme. In order to find the growth during the pension input period, the calculation steps are as follows:

1. Obtain the pension at the day before the start of the pension input period.
2. Multiply the pension by 16 (HMRC's factor).
3. Add your lump sum to this (1995 section members only).
4. Revalue the total amount by adding the relevant CPI percentage (see table below). This is your opening value.
5. Obtain the pension at the end of the pension input period.
6. Multiply the pension by 16.
7. Add your lump sum to this (1995 section members only). This is your closing value.
8. Deduct the opening value from the closing value. This will give you the pension input amount.

Your opening and closing values are as follows:

Pension Input Period	Opening Value Including CPI	Closing Value
01/04/2014 – 31/03/2015	£	£
01/04/2013 – 31/03/2014	£	£
01/04/2012 – 31/03/2013	£	£
01/04/2011 – 31/03/2012	£	£

CPI percentages for each year:

Tax Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
CPI %	5.2%	1.1%	3.1%	5.2%	2.2%	2.7%

If there is a change to your pay figures or membership your employer must inform us. You will then need to write and request a revised Annual Allowance Pension Savings Statement – a new statement will **not** be issued until a request is received.

Carry Forward

Any growth above the Annual Allowance is taxable. You may be able to reduce the amount taxable by carrying forward any unused Annual Allowance from the previous three pension input periods, up to the maximum shown in the tables on the first page for each year. You will need to take into account any other pension arrangements you may have.

HMRC's 'Enhanced Pension Savings Annual Allowance Calculator' will help you calculate whether you have any taxable growth, after carrying forward any unused Annual Allowance. The calculator can be found on HMRC's website at: www.hmrc.gov.uk/tools/pension-allowance/calculator.htm.

Scheme Pays

If you have an Annual Allowance charge you can pay this via self-assessment directly to HMRC by completing form SA101 - Additional Information. HMRC has published a help sheet - HS345 with guidance on the Annual Allowance at:

<https://www.gov.uk/government/publications/pensions-tax-charges-on-any-excess-over-the-lifetime-allowance-annual-allowance-special-annual-allowance-and-on-unauthorised-payments-hs345-self>.

Alternatively, you may be able to ask NHS Pensions to pay all, or part, of your Annual Allowance charge to HMRC on your behalf by **permanently** reducing your NHS Pension Scheme benefits. This is called Scheme Pays.

For a request for Scheme Pays to be accepted the following mandatory conditions must be met:

- Your Annual Allowance charge must be greater than £2,000.
- The growth in your NHS benefits before carry forward exceeds the Annual Allowance amount. These amounts are shown in the tables on the first page.

To ask NHS Pensions to pay your Annual Allowance charge you must complete the 'Scheme Pays Election Notice' (SPE2) available on our website, and return to us by HMRC's deadline, or earlier if you are retiring or reach age 75 in the same year as your charge occurs. Information about HMRC's deadline for each year is available on our website.

Practitioners

A statement is issued to a Type 1 or 2 Medical Practitioner or a non GP provider once your Local Area team or Local Health Board (Wales) receives your confirmed Annual Certificate of Pensionable Profit and they have in turn updated your pension record at NHS Pensions.

Further Information

Further information about your Pension Savings Statement, the Annual Allowance and Scheme Pays can be found at: www.nhsbsa.nhs.uk/Pensions (Home Page > Members Hub > Tax Information > Annual Allowance).

You can also find further information by accessing the NHS Business Services Authority knowledge base 'Ask Us' at: <http://www.nhsbsa.nhs.uk/Pensions.aspx>.

Information about the Annual Allowance can also be found on HMRC's website and more detailed information can be found in HMRC's Pension Tax Manual.