Personal & Confidential

West Sussex Pension Fund
administered by
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Enquiries to	Pensions Customer Support Team	*My Reference*	Pensions/Pension Savings Statement 2020
Direct Line	01962 845588	*Your Reference*	
Date		*Email*	pensions@hants.gov.uk

Dear

Local Government Pension Scheme (LGPS)
Pension Savings Statement 2019/20

Please find enclosed your Pensions Savings Statement for 2019/20. This statement sets out the increase in your pension savings from the West Sussex Local Government Pension Scheme over 2019/20 for comparison against the HM Revenue & Customs (HMRC) Annual Allowance threshold.

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

- Our records show that the increase in your pension savings in the West Sussex Local Government Pension Scheme exceeds the standard Annual Allowance (based on the information we hold on your pension record at the time of the calculation),
- You have requested a statement,
- A third party has requested a statement on your behalf (you will need to forward this to them),
- We have revised a previous statement due to a notification of a data change.

Please refer to our website which gives you more information on how the Annual Allowance works

https://www.hants.gov.uk/hampshire-services/pensions/local-government/current-members/pensions-and-tax

What should I do with this information?

You will need this statement to work out whether you have to pay a tax charge. If you find that you do need to pay a tax charge, then there are different ways in which you can meet the charge as set out later in this document.

It is your personal responsibility to pay the correct amount of tax and therefore please take your time to read and understand this information. You may need to take independent financial advice in order to ensure you understand your tax position.
You can use the HMRC online calculator to work out if you need to pay a charge
https://www.tax.service.gov.uk/paac

Members must report any annual allowance excess to HMRC as part of the self reporting process, even if a self assessment return is not ordinarily required by HMRC. The **scheme is not responsible** for informing HMRC on your behalf. You may wish to refer to HMRC guidance;https://www.gov.uk/tax-on-your-private-pension/annual-allowance

Your pension savings

There is a limit to the amount of pension you can build up in a year without paying any tax. This limit is called the Annual Allowance.

HMRC measures your pension savings in a specific way, and over a specific time period:

- The increase in your pensions savings is called the Pension Input Amount (PIA).
- The increase in pensions savings is measured over a period which is called the Pension Input Period (PIP for short).

You may be subject to an Annual Allowance tax charge if your PIA for an input period is more than the Annual Allowance in that period. The tax charge only applies to the amount above the allowance.

However, you are allowed to carry forward unused Annual Allowance from the last three PIPs to fully or partially offset a tax charge.

The calculation of your pension savings for 2019/20 is shown on the attached information sheet. **If you believe that any of the data is incorrect, please contact Pensions Services as this may affect your Pension Input Amount calculation.**

The values only take account of this pension scheme. You will also need to consider any other pension savings you have made during this period, and the last three years, to work out any tax charge. You may wish to seek independent financial advice before you make any decisions.

Members who submit a paper return should use form SA101. Nil tax returns are not required.
Where members do not ordinarily complete a tax return they should now request one from HMRC to report the excess.

Tax Charges

If you breach the annual allowance in relation to any input period, and there is no available unused allowances from previous years to offset against the pension growth, you may face a tax charge on the excess amount.

If you face a tax charge then you will need to complete a self assessment tax return to establish how much tax is due. The scheme PSTR number needed to complete the return is PSTR00329946RE.

Mandatory Scheme Pays

Under certain conditions, you may elect that the pension scheme pays any tax due to HMRC on your behalf.

A 'scheme pays' facility works by having the pension scheme pay the tax charge initially from the pension fund, with the debt repaid by you in the form of a permanent debit applied to your pension once it comes into payment.

You may request Mandatory Scheme Pays under certain circumstances:

Pension growth must exceed the standard Annual Allowance (£40,000), and

ii. Your total Annual Allowance charge must be more than £2,000, and

iii. Your election must be received by 31 July 2021

Voluntary Scheme Pays

If you have a tax charge of at least £1,000 and less than £2,000, you can request to use Voluntary Scheme Pays in respect of Annual Allowance charges due for the 2019-20 tax year. The pension scheme pay the tax charge initially from the pension fund, with the debt repaid by you in the form of a permanent debit applied to your pension once it comes into payment.

Tax charges using voluntary scheme pays must be paid by 31 January 2021 to avoid interest charges. If you wish to use this facility then you should return your completed scheme pays notice by 30 November 2020. If we receive your completed form after this date we may not be able to pay your charge to HMRC by the 31 January 2021 deadline and interest charges will then apply.

If you require any more information about how we have calculated the figures, please contact us.

Yours sincerely

Pension Services

Pensions Savings Statement 2019/20

A summary of your pension savings position for 2019/20 is shown below.
A breakdown of the calculation is shown on pages 2 and 3 and the underlying data is shown on page 4.

Pension Input Amount for 2019/20	£0.00	
Standard annual allowance for 2019/20	£0.00	
Your Pension Input Amount for 2019/20 exceeds the standard Annual Allowance. You have a taxable excess over your standard annual allowance.	£0.00	**Taxable Excess in 2019/20**
Taxable excess after unused allowances from previous three years	£0.00	**You have no Taxable Excess after using previous years allowance**

Based on the information we hold, you do not have a taxable excess after using previous years unused allowances.

Remaining unused allowances to carry forward for 2020/21:

Year	Unused Allowance
2019/20	£0.00
2018/19	£0.00
2017/18	£0.00

Calculating you Pension Input Amount for 2019/20

1. Calculate your Penson Input Amount (PIA) for 2019/20

£0.00	X 16	£0.00	+	£0.00	=	£0.00
Annual Pension at 05/04/20				Lump sum at 05/04/20		BOX A

2. Calculate the HMRC value of your pension savings as at 5 April 2019

£0.00	X 16	£0.00	+	£0.00	=	£0.00	X 1.024	=	£0.00
Annual Pension at 05/04/19				Lump sum at 05/04/19			Increase for inflation (CPI in Sept 18)		BOX B

3. Take the 2019 value of your pension savings from the 2020 value and add any AVC contributions made

£0.00	-	£0.00	+	£0.00	=	**£0.00**
BOX A		BOX B		AVC contributions		**Pension Input Amount (PIA) for 2019/20**

Calculating your taxable excess over the Annual Allowance

1. Take the current year's annual allowance from your Pension Input Amount (PIA) for 2019/20

£0.00	-	£0.00	=	£0.00
2019/20 annual allowance		PIA 2019/20		BOX C

If Box C is a positive figure, you have not exceeded the current annual allowance and Box C is your 2019/20 unused allowance to carry forward into 2020/21 (restricted to a maximum of £40,000).

2. If Box C is a negative figure, you have exceeded the current annual allowance. You can reduce this by using up any previous years unused allowances (oldest year first – 2016/17)

£0.00	-	£0.00	=	£0.00
BOX C		2016/17 unused allowance		BOX D

3. If Box D is still more than £0 then repeat with 2017/18 unused allowance

£0.00	-	£0.00	=	£0.00
BOX D		2017/18 unused allowance		BOX E

As Box E is less than zero, your unused allowances for 2016/17 and 2017/18 have been used to cover your excess PIA for 2019/20, and you have a remaining unused allowance which can be carried forward to 2020/21.

If BOX E is still more than £0 then repeat with 2018/19 unused allowance

£0.00	-	£0.00	=	£0.00
BOX E		2018/19 unused allowance		BOX F

Underlying data for annual allowance calculation

Personal Information

Name	
Folder Reference	
National Insurance Number	
Payroll Number	
Date of Birth	

Pension data for current and previous years

Pension Input Period (PIP	**2019/20**	**2018/19**	**2017/18**	**2016/17**	**2015/16**
Pay figures:					
Final Salary pay at end of PIP	£0.00	£0.00	£0.00	£0.00	£0.00
Career Average pay at end of PIP	£0.00	£0.00	£0.00	£0.00	£0.00
Pension Figures:					
LGPS pension at end of PIP	£0.00	£0.00	£0.00	£0.00	£0.00
Final Salary lump sum at end of PIP	£0.00	£0.00	£0.00	£0.00	£0.00
Additional Voluntary contributions paid over PIP (including Shared Cost AVC's)	£0.00	£0.00	£0.00	£0.00	£0.00

Previous year's pension inputs and unused allowances

Pension Input Period (PIP)	**Pension Input Amount (PIA)**	**Annual Allowance**	**Unused allowance available for 2019/20**
2018/19:			
(6 April 2018 to 5 April 2019)	£0.00	£0.00	£0.00
2017/18			
(6 April 2017 to 5 April 2018)	£0.00	£0.00	£0.00
2016/17			
(6 April 2016 to 5 April 2017)	£0.00	£0.00	£0.00

a) A lower Annual Allowance may apply to the amount of Money Purchase pension savings you can make if you have accessed any pension savings using the new pension freedoms introduced in April 2015.

b) The unused allowance is the amount available to offset the 2019/20 pension input amount carried forward from the previous year's i.e. after previous year adjustments.

Latest news updates (specific topics, changes to the regulations)

Stop Press publications

https://www.hants.gov.uk/hampshire-services/pensions/local-government/employers/news/west-sussex-news

- PUBLISHED Stop Press October 2020 – HM Treasury Exit Cap regulations and the LGPS and update on McCloud LGPS data collection and template.
- PUBLISHED Stop Press September 2020 – Information on required LGPS data collection in respect of McCloud and Data collection exercise.

Member news

Two news articles have been published in October.

- Bank account information for members living in the EU
- Change of Regulations – Exit Payment Cost Cap