



Enfield
**Pension
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BUSINESS CARD



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EMAIL-FOOTER

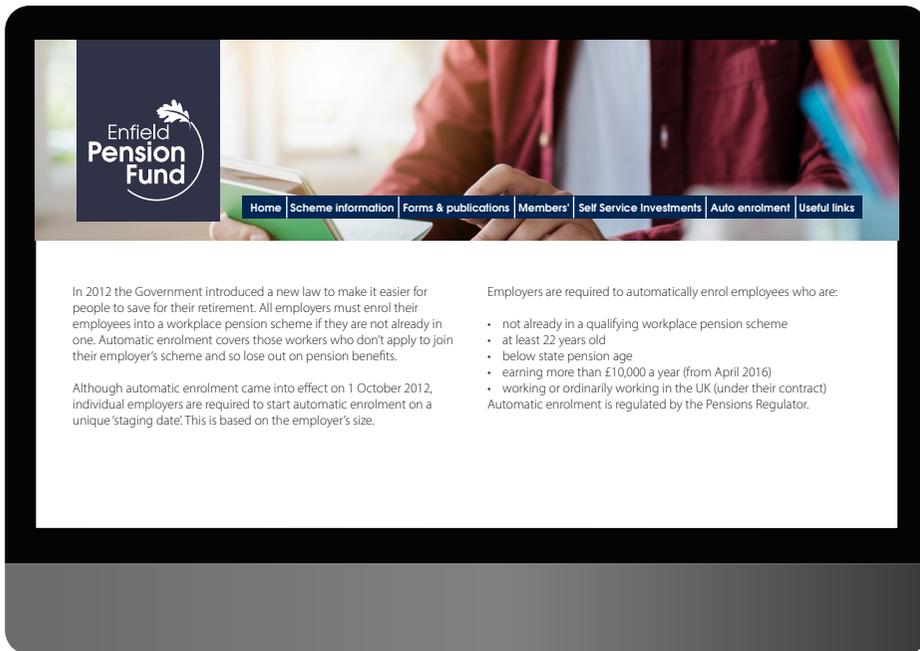


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LETTERHEAD



WEBSITE



LEAFLET



Local Government Pension Scheme (LGPS)

FACTSHEET



PENSIONS TAXATION - ANNUAL ALLOWANCE

HM Revenue and Customs impose two controls on the amount of pension savings you can make without having to pay extra tax. These controls are known as the Annual Allowance and Lifetime Allowance. This is in addition to any income tax you pay on your pension once it is in payment.

This factsheet looks at the Annual Allowance which is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge. For information on the Lifetime Allowance please refer the Lifetime Allowance factsheet.

WHAT IS THE ANNUAL ALLOWANCE?

The Annual Allowance (AA) is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge. This is in addition to any income tax you pay on your pension once it is in payment.

If the value of your pension savings in any one year (including pension savings outside of the LGPS) are in excess of the AA limit, the excess will be taxed as income.

The Government reduced the AA limit from £255,000 to £50,000 from 6 April 2011 and then reduced it again to £40,000 from 6 April 2014. Further changes to the AA are being made for higher earners from 6 April 2016, which has resulted in special transitional rules for the 2015/16 tax year. These changes are covered in more detail later in this factsheet.

Pension Input Period	Annual Allowance
1 April 2011 to 31 March 2012	£50,000
1 April 2012 to 31 March 2013	£50,000
1 April 2013 to 31 March 2014	£50,000
1 April 2014 to 31 March 2015	£40,000
1 April 2015 to 5 April 2016	£80,000 (transitional rules apply)
6 April 2016 to 5 April 2017	£40,000 (unless tapering applies)



AM I LIKELY TO BE AFFECTED BY THE ANNUAL ALLOWANCE?

Most people will not be affected by the AA tax charge because the value of their pension saving will not increase in a year by more than £40,000, or, if it does they are likely to have unused allowance from previous years that can be carried forward.

You are most likely to be affected if:

- you have a lot of scheme membership and you receive a significant pay increase, and/or;
- you pay a high level of additional contributions, and/or;
- you are a higher earner, and/or;
- you transfer pension rights into the LGPS from a previous public sector pension scheme¹ under the preferential club transfer rules and your salary (full time equivalent) upon joining the LGPS is somewhat higher than the salary you earned when you left the previous scheme, and/or;
- you combine a previous LGPS pension benefit that was built up in the final salary section of the LGPS with your current pension account and your salary (full time equivalent) has increased significantly since leaving and re-joining the scheme, and/or;
- you have accessed flexible benefits on or after 6 April 2015

Your Pension Fund will inform you if your LGPS pension savings exceed the AA limit in any year by no later than 6 October of the following year.

ISSUE 15

Exchequer Services

PAYROLL & PENSION

services update



UPDATE for Pensioners

Welcome to the 2020 pensioner's newsletter, which has been compiled for individuals who currently receive a Local Government Pension from Enfield Council. Our aim is to provide you with information that you will find both useful and interesting.

- Payslip Distribution 2020
- Form P60
- Pay Dates 2020/21
- Public Sector Pension Increases
- Budget 2020 update
- Tax Code Changes
- HMRC - Personal Tax Account
- National Fraud Initiative



Paper Payslip Distribution 2020

The pension paper payslips will be issued as follows:

MARCH PAYS Lip

At the end of March you received a payslip for month ending 31st March 2020. This payslip shows the total pension paid and any tax deducted for the whole financial year 2019/20. These figures can be found in the "Tax to Date" table on the bottom left of the payslip and they will appear on your P60.

APRIL PAYS Lip

Along with any tax code changes for financial year 2020/21, your April payslip will also show, where applicable, any pensions increase from 06th April. This means, should you qualify, a proportion of your April pension will be at the old rate and a proportion at the new rate. Please see below for further details of this year's pensions increase.

MAY PAYS Lip

If applicable this payslip will show the new rate of your pension for a whole month following pensions increase. This will normally be the last payslip you will receive until March 2021. We no longer issue a monthly payslip unless there is a variation to the net monthly pension of at least £1.00 when compared with your May payslip.



e-Payslip & e-P60

The Payroll Team have introduced e-payslips for all its customers. This replaces paper payslips for those that successfully set up their accounts.

At the time this article goes to press we are preparing the form P60 which will be available for users by the HMRC deadline of 31st May 2020.

For those pensioners yet to access Epay, the e-payslip and P60 are online versions of the printed paper versions and contain all the same pay information. The e-payslip would be available to you every month. You can access your e-payslip and P60 through a secure online portal, which is accessible to any internet enabled device - PC, laptop, tablet or smartphone - anytime, anywhere.

The secure online portal is a safe place to keep all past and present pay information. To access the portal, you will be provided with an individual username and password, which you can change once logged in. In your portal you will find your pay information, payslips, and any key messages or announcements. You can access and view your information

Design costs

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Stationary	£50