Environment Agency
Pension Fund

August 2019

Your pension savings statement explained

Your statement explained

EAPF Pension Savings Statement for the tax year ending 5 April 2019

We have set out below details to help explain your statement for the tax year ending 5 April 2019.

1

The year in which we've measured the growth in your EAPF pension.

2

The amount your pension savings can grow 'tax free' in the year.

The annual allowance for 2018/19 is £40,000.

This is reduced if you earn over £150,000 in a tax year (in practice, this may affect you if your pensionable income is above £110,000). This is called 'tapered annual allowance'.

Under tapered annual allowance, the annual allowance is reduced by £1 for every £2 of 'adjusted income' that exceeds the £150,000 level, subject to a minimum annual allowance of £10,000.

'Adjusted income' starts by adding up all of your income (subject to tax) such as income from employment, property and dividends, etc. Other specified items (such as member contributions and the 'value' of employer contributions), are added in to check if the adjusted income exceeds £150,000, and so subject to the tapered annual allowance.

Environment Agency Pension Fund

EAPF Pension Savings Statement for the tax year ending 5 April 2019

Name:		Reference:	

1 Pension Input Period	Tax year	2 Annual Allowance	3 Pension Input Amount
6 April 2018 to 5 April 2019	2018/19	£40,000	£32,500

We've shown your pension savings in the EAPF for the 2018/19 tax year above.

Where your total Pension Input Amount (PIA) exceeds the Annual Allowance or your personal annual allowance, you'll incur a tax charge on any excess over the allowance, unless you've sufficient unused annual allowance from any of the previous tax years. We call this 'Carry Forward'.

Pension savings for the previous three tax years

Pension Input Period	Tax Year	Annual Allowance	Pension Input Amount	Carry Forward
6 April 2017 to 5 April 2018	2017/18	£40,000	£23,200	£16,800
6 April 2016 to 5 April 2017	2016/17	£40,000	£26,000	£14,000
9 July 2015 to 5 April 2016	2015/16	£40,000	£22,500	£17,500
1 April 2015 to 8 July 2015	2015/16	£80,000	£8,400	
Total potential unused carry forward (cumulative):				£48,300

The above amounts exclude any pension savings you may have made outside the EAPF. If you've made pension savings in another pension arrangement, you should request details of your PIA for those arrangements to assess your overall annual allowance position.

- If you've any queries on the information contained in this statement, please contact Capita in the first instance. We've included contact details in Important Notes, overleaf.
- Calculating your annual allowance charge can be a complex process, and the actual tax charge(s) will depend on your taxable income and total pension savings during the tax year. We can only provide you with your PIA in the EAPF; we can't calculate whether you exceed the annual allowance after allowing for any unused Carry Forward or the level of tax to apply.
- Working out the amount of tax you'll need to apply is your responsibility and you will find out how much your charge is when you complete your self assessment.
- If you haven't incurred an annual allowance charge for benefits you hold in the EAPF for this tax year, you may still need to notify HMRC if you've built up pension benefits in other pension schemes. This is because the value of these benefits may mean that you exceed the allowance.

  You can find further guidance at www.hmrc.gov.uk/pensionschemes/calc-aa.htm
- **Please note the details we've provided are for your information only**
- **The EAPF and Capita are unable to provide any financial advice and recommend you seek specialist independent tax advice**

3

The 'growth' in your EAPF pension during 2018/19.

We've calculated it by looking at the difference in your pension at 6 April 2018 and 5 April 2019 and multiplying this figure by 16.

We've also added any tax free lump sum built up (for service before April 2008) to this total.

We've calculated your pension using your 'highest' pay in the last 3 years.

We've included added years, additional regular contributions, additional pension contributions (APCs) or EAPF additional voluntary contributions (AVCs) that you've paid, though any AVCs you've paid towards a life assurance policy are not included.

You can find further information on annual allowance charges in the 'Tax Controls on Pension Savings' factsheet under Publications at **www.eapf.org.uk**

You can also use our High Earners AA Resource Hub. This hub provides the documents and reference materials you'll need to help you understand your responsibilities. You'll find this under 'User Guides' at **www.eapf.org.uk/publications**

Your statement explained

EAPF Pension Savings Statement for the tax year ending 5 April 2019

We have set out below details to help explain your statement for the tax year ending 5 April 2019.

4

You can 'carry forward' any unused annual allowance from the previous 3 years to offset annual allowance for the 2018/19 pension input period.

5

The amount your pension savings can grow 'tax free' in the relevant pension input period.

If you're subject to a tapered annual allowance your pension savings growth will be lower.

6

Total 'carry forward' that you can use in 2018/19, if you've exceeded the annual allowance.

Note that for the 2018/19 year, your 'carry forward' for 2014/15 has dropped out of the calculation.

Environment Agency Pension Fund

EAPF Pension Savings Statement for the tax year ending 5 April 2019

Name:		Reference:	

Pension Input Period	Tax year	Annual Allowance	Pension Input Amount
6 April 2018 to 5 April 2019	2018/19	£40,000	£32,500

We've shown your pension savings in the EAPF for the 2018/19 tax year above.

Where your total Pension Input Amount (PIA) exceeds the Annual Allowance or your personal annual allowance, you'll incur a tax charge on any excess over the allowance, unless you've sufficient unused annual allowance from any of the previous tax years. We call this 'Carry Forward'.

Pension savings for the previous three tax yea[rs]

Pension Input Period	Tax Year	Annual Allowance (5)	Pension Input Amount (7)	Carry Forward
6 April 2017 to 5 April 2018	2017/18	£40,000	£23,200	£16,800
6 April 2016 to 5 April 2017	2016/17	£40,000	£26,000	£14,000
9 July 2015 to 5 April 2016	2015/16	£40,000	£22,500	£17,500
1 April 2015 to 8 July 2015	2015/16	£80,000	£8,400	
(4) **Total potential unused carry forward (cumulative):**				£48,300 (6)

The above amounts exclude any pension savings you may have made outside the EAPF. If you've made pension savings in another pension arrangement, you should request details of your PIA for those arrangements to assess your overall annual allowance position.

- If you've any queries on the information contained in this statement, please contact Capita in the first instance. We've included contact details in Important Notes, overleaf.
- Calculating your annual allowance charge can be a complex process, and the actual tax charge(s) will depend on your taxable income and total pension savings during the tax year. We can only provide you with your PIA in the EAPF; we can't calculate whether you exceed the annual allowance after allowing for any unused Carry Forward or the level of tax to apply.
- Working out the amount of tax you'll need to apply is your responsibility and you will find out how much your charge is when you complete your self assessment.
- If you haven't incurred an annual allowance charge for benefits you hold in the EAPF for this tax year, you may still need to notify HMRC if you've built up pension benefits in other pension schemes. This is because the value of these benefits may mean that you exceed the allowance.

  You can find further guidance at **www.hmrc.gov.uk/pensionschemes/calc-aa.htm**
- **Please note the details we've provided are for your information only**
- **The EAPF and Capita are unable to provide any financial advice and recommend you seek specialist independent tax advice**

7

The 'growth' in your EAPF pension during the periods stated.

We've calculated it by looking at the difference in your pension during the periods stated and multiplying this figure by 16.

An allowance for inflation (CPI) has also been added to these figures.

We've also added any tax free lump sum built up (for service before April 2008) to these amounts.

We've calculated your pension for each pension input period using your 'highest' pay in the last 3 years. We've only used the pay that was known on the last day of the period to calculate benefits for that period.

We've also included added years, additional regular contributions (ARCs), additional pension contributions (APCs) or EAPF additional voluntary contributions (AVCs) that you've paid, though any AVCs you've paid towards a life assurance policy are not included.

You can find further information on annual allowance charges in the 'Tax Controls on Pension Savings' factsheet under Publications at **www.eapf.org.uk**

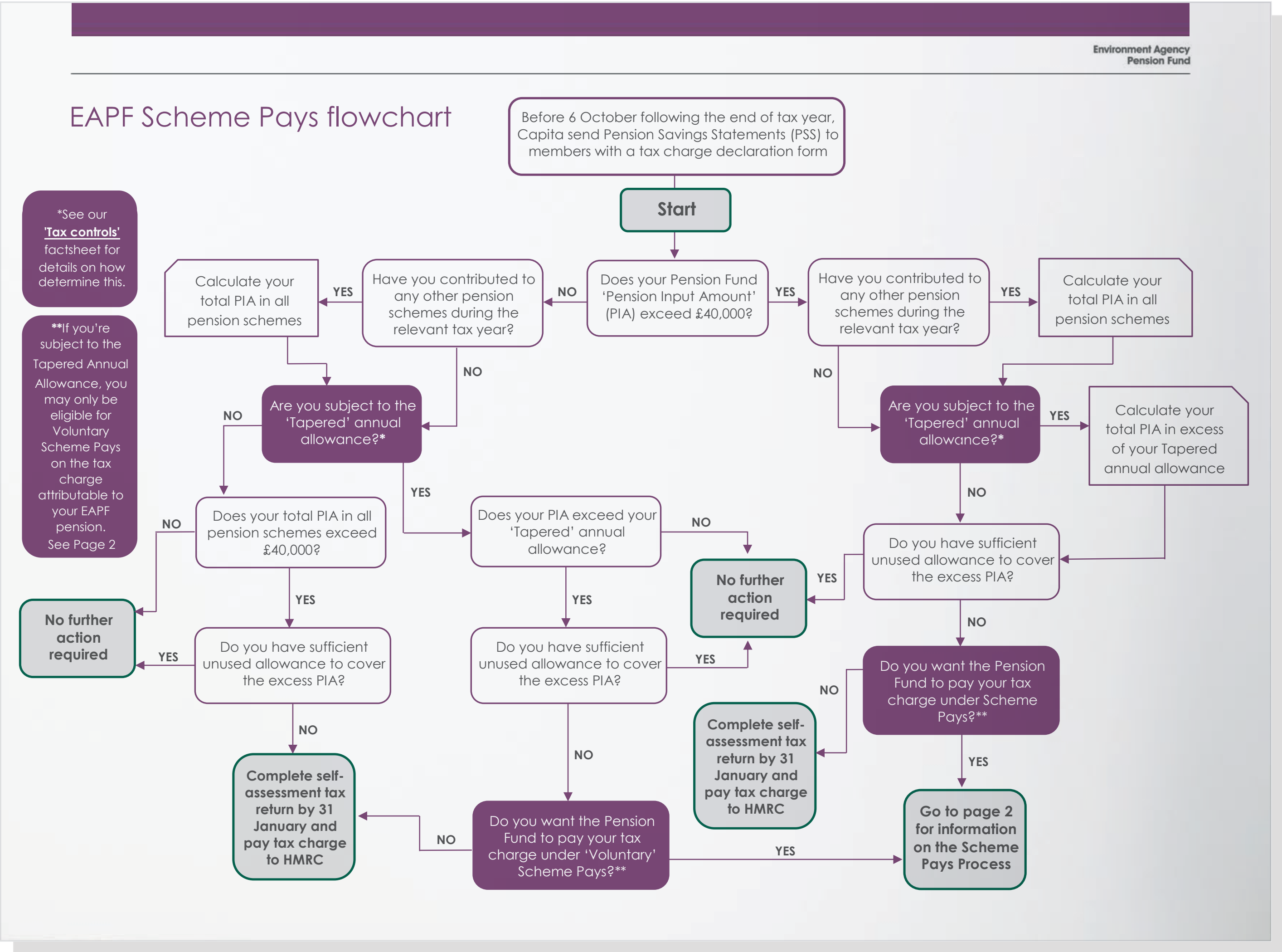
You can also use our High Earners AA Resource Hub. This hub provides the documents and reference materials you'll need to help you understand your responsibilities. You'll find this under 'User Guides' at **www.eapf.org.uk/publications**

The above amounts exclude any pension savings you may have made outside the EAPF. If you have made pension savings in another pension arrangement, you need to request details of your Pension Input Amounts from the administrator of that arrangement to assess your overall annual allowance position.

Scheme Pays flowchart

If you've exceeded the annual allowance and you're interested in the Scheme Pays option, our helpful 'Scheme Pays' flowchart will tell you exactly what to do.

You'll find full details online at www.eapf.org.uk/publications



Scheme Pays flowchart continued

If you've exceeded the annual allowance and you're interested in the Scheme Pays option, our helpful 'Scheme Pays' flowchart will tell you exactly what to do.

You'll find full details online at www.eapf.org.uk/publications