Your pension savings statement explained



Your statement explained

EAPF Pension Savings Statement for the tax year ending 5 April 2023

We have set out below details to help explain your statement for the tax year ending 5 April 2023.

If you've exceeded the annual allowance in both 2022/23 **and** in one of the last 3 tax years, you will have received a special statement. This is because you'll have less carry forward and, therefore, you're more likely to be subject to a tax charge - although this may not be the case if you've still got enough carry forward to offset against the excess savings. If you think this applies to you and you have a question concerning your statement, please contact our Capita Technical consultants at **eapfconsult@capita.co.uk**

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 2022/23 is £40,000.

This is reduced if you earn over £240,000 in a tax year (in practice, this may affect you if your pensionable income is above £200,000). 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 £240,000 level, subject to a minimum annual allowance of £4.000.

'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 £240,000, and so subject to the tapered annual allowance.

3

The 'growth' in your EAPF pension during 2022/23.

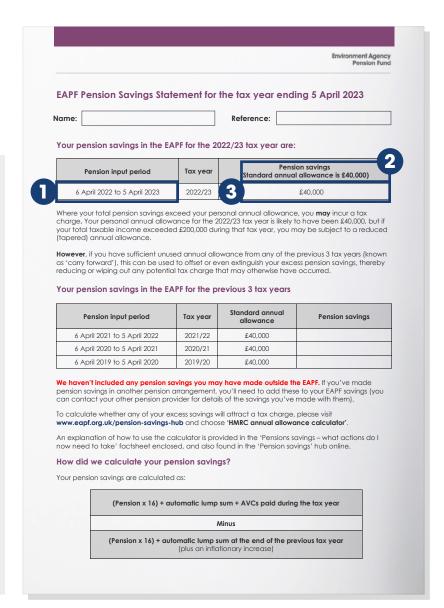
We've calculated it by looking at the difference in your pension at 6 April 2022 and 5 April 2023 and multiplying this figure by 16 (this is a factor set by HMRC for all schemes).

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/resources/publications



Your statement explained

EAPF Pension Savings Statement for the tax year ending 5 April 2023

We have set out below details to help explain your statement for the tax year ending 5 April 2023.



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.



You can offset your excess savings with any unused annual allowance from the previous 3 years that are shown on your statement.

In this section, you'll find a link for the HMRC online tool that'll help you work out if your excess savings can be fully offset, or if you'll have to pay a tax charge.



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 using Consumer Price Index (CPI) has also been added to these figures.

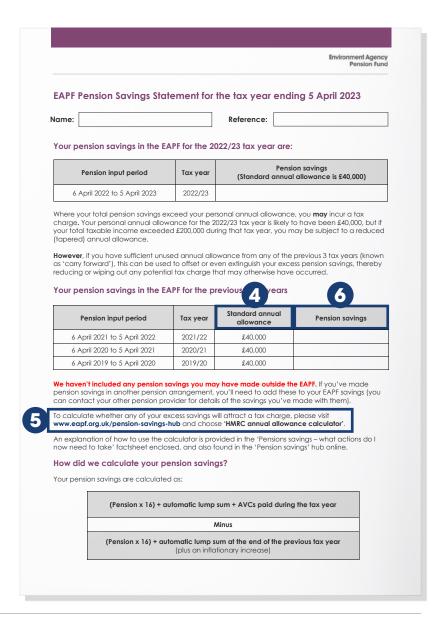
We've also added any tax free lump sum built up (for service before April 2008) to these amounts.

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/ resources/publications

The amounts shown 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 savings from the administrator of that arrangement to assess your overall annual allowance position.



Pension savings hub

We've created a hub on our website at www.eapf.org.uk/pension-savings-hub

Here you'll find all the information and resources you need to help you understand what to do if your pension savings in the EAPF have exceeded the standard annual allowance (AA) of £40,000.

