



Pensions Tax

HM Revenue & Customs (HMRC) have established allowances within which pension savings achieve tax favourable treatment in the UK.

The value of your pension benefits for this purpose is effectively assessed and limited in two ways:

- The [Lifetime Allowance \(LTA\)](#) – There is no limit to the value of pension savings you are able to make, however the LTA sets the limit above which you will become subject to a tax charge on the amount of savings in excess of the LTA.

The LTA assesses the value of your benefits across all of your pension savings from all registered arrangements throughout your lifetime.

- The [Annual Allowance \(AA\)](#) – This measures the value of pension savings earned in each tax year. Whilst there is no limit upon the amount of savings you may make in any one year, the AA sets the limit above which you may become subject to a tax charge.

The AA is assessed each tax year and applies to the increase in the value of your pension savings across all registered arrangements.

The State Pension benefits are excluded from both the Lifetime Allowance and Annual Allowance assessments.

If you believe that you may be impacted by pensions tax issues, please contact the [Pensions Team](#) who may be able to assist you with further information.

The Pensions Team are unable to offer any form of financial advice specific to your personal circumstances. If you are likely to be affected by pensions tax you should seek independent financial advice regarding your options.

The **Financial Advice** section contains details of independent financial advisers who are working with the London Pensions Consortium to provide financial advice to members. The **FAQ and Useful Links** page of the website also contains details of how you can locate an independent financial advisor and details of other organisations who may be able to assist you.