



Tax rates and allowances 2018-19

Registered Pension Schemes

Standard Lifetime Allowance

Tax Year	Amount
2018-2019	£1,030,000
2017-2018	£1,000,000
2016-2017	£1,000,000
2015-2016	£1,250,000
2014-2015	£1,250,000
2013-2014	£1,500,000
2012-2013	£1,500,000
2011-2012	£1,800,000
2010-2011	£1,800,000
2009-2010	£1,750,000
2008-2009	£1,650,000
2007-2008	£1,600,000
2006-2007	£1,500,000

Member Contributions Annual Allowance Charge

Tax Year	Amount
2018-2019	£40,000 *
2017-2018	£40,000 *
2016-2017	£40,000 *
2015-2016	£40,000
2014-2015	£40,000
2013-2014	£50,000
2012-2013	£50,000
2011-2012	£50,000
2010-2011	£255,000
2009-2010	£245,000
2008-2009	£235,000
2007-2008	£225,000
2006-2007	£215,000

* For high earners, the annual allowance is tapered in 2018-19 (and also 2017-18). See note 6.



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Money Purchase Annual Allowance

Tax Year	Amount
2018-2019	£4,000
2017-2018	£4,000
2016-2017	£10,000
2015-2016	£10,000

Notes

- Any contributions more than £40,000 (2017-18 also £40,000) whether personal or by the employer, may be subject to income tax on the individual at the appropriate rate (2018-19: 20%, 40%, 45% as appropriate).
- Tax relief is limited to relief on contributions up to the higher of 100% of relevant earnings or £3,600.
- Where the £40,000 limit is not fully used, it may be possible to carry the unused amount forward for three tax years.
- Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively'. Tax relief for large contributions may be spread over several years.
- There is a lifetime allowance excess charge. If the excess is drawn as cash the rate is 55% and if drawn as income 25%.
- High Earner's tapered annual allowance.

Some high-income individuals will face a cut in the amount of tax-efficient pension saving they can make from 6 April 2016.

The standard £40,000 annual allowance (AA) will be reduced by £1 for every £2 of '**adjusted income**' individuals have **over £150,000** in a tax year, until their AA drops to £10,000. So, someone with income of £210,000 would see their AA cut by £30,000.

But not everyone who fails the 'adjusted income' test will see their AA cut.

There is a second test which can help some people who are caught simply because pension savings exceed £40,000 in the tax year. So, even if their adjusted income exceeds £150,000, their AA won't be cut if their '**threshold income**' is **£110,000 or less** for the tax year.



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Here's what's included for each test:

Adjusted Income	Threshold Income
Above £150k = AA tapered	£110k or below = full £40k AA available
Included <ul style="list-style-type: none"> • Total income before tax from all sources (ignoring deductions for pension contributions) • The value of employer pension contributions 	Included <ul style="list-style-type: none"> • Total income before tax from all sources • New salary sacrifice arrangements (started after 8 July 2015)
Deductions <ul style="list-style-type: none"> • None 	Deductions <ul style="list-style-type: none"> • The individual's pension contributions