



Dear **B E**

Estimated Annual Benefit Statement (ABS) as at **Z**

I am pleased to provide you with your 2022 ABS which shows details of your pension benefits held in the Teesside Pension Fund, part of the Local Government Pension Scheme (LGPS), as at **Z**.

For more information about the scheme please visit the Teesside Pension Fund's website at www.teespen.org.uk.

Pension Scams

If you are thinking of taking your pension savings or transferring them elsewhere, beware of scammers. You can find out more about how to identify scams at: www.fca.org.uk/scamsmart/how-avoid-pension-scams

Please read the leaflet "Don't let a scammer enjoy your retirement" to find out how pension scams work, how to avoid them and what to do if you suspect a scam. Find it at: www.fca.org.uk/publication/documents/pension-scams-leaflet.pdf

Member Self Service

We would like to remind you that a system is available to all active LGPS members known as Member Self Service (MSS), which allows registered users to log into their pension record online. This secure website allows you to; calculate your own estimates of benefits based on whichever dates you choose from age 55, view online versions (including from previous years), of your ABS and update the Pensions Unit on certain changes in your circumstances (such as address changes).

You can start the registration process by emailing the following information to: MSS@xpsgroup.com or by post to: XPS Administration, PO Box 485, Middlesbrough, TS1 9EE.

1. Full Name
2. The first five characters of your National Insurance number.
3. The email address you wish to use for your account.

XPS will use this information to verify your record and email you instructions on how to activate your account.

LGPS benefits could form a major element of your retirement income so please do take the time to study the statement and let us know straight away if anything, especially the pay figures, appear wrong.

I hope you find this statement easy to understand and informative. Any comments you wish to make about either the statement, or the service you have received from the Pensions Unit, are always welcome.

Please send any comments to pensionsunit@xpsgroup.com.

Yours sincerely

Graeme Hall

Operations Manager

LGPSABSACT - A - 2022 v0.1

Membership Details (service) in the pre - 1 April 2014 Final Salary Scheme

Employer	From	To	Hours worked or %	Period of membership (years & days)
DA	DB	DC	DD	DE
DF	DG	DH	DI	DJ
DK	DL	DM	DN	DO
DP	DQ	DR	DS	DT
DU	DV	DW	DX	DY
DZ	EA	EB	EC	ED
EE	EF	EG	EH	EI
EJ	EK	EL	EM	EN
EO	EP	EQ	ER	ES
ET	EU	EV	EW	EX
EY	EZ	FA	FB	FC
FD	FE	FF	FG	FH

Please be aware that only your latest 12 service history lines to 31 March 2014 are shown above. Service from 1st April 2014 is not shown as this is reflected in the CARE benefits. Hours worked are adjusted if you work term time and, therefore, may show as less than your actual weekly hours. If you have additional service allocated to this post not shown above, it will have been used in the calculation of your benefits. Where a membership line shows no 'period of membership' it may refer to pensionable service attributed to another LGPS pension record you may have. If this is the case you should receive a separate statement that includes this service.

If you have other posts in the Teesside Pension Fund, we will issue separate benefit statements for these. Benefits held with other LGPS funds, or with other providers, are not included in this statement – you should receive separate statements for these from the appropriate provider.

Lifetime Allowance

The Lifetime Allowance (LTA) is a limit on the amount of pension benefits that can be paid from pension schemes without triggering an extra tax charge

Your benefits are tested against the LTA whenever you 'crystallise' your benefits, usually when retiring. For defined benefit schemes (such as the LGPS), the value of benefits is calculated as 20 times the initial amount of pension plus any tax-free cash. Any pension savings above the LTA are subject to an LTA charge of 55% if the excess is taken as a lump sum and 25% if the excess is taken as a pension.

Whilst most people aren't affected by the lifetime allowance, you should take action if the value of your pension benefits is approaching, or more than, the LTA. Further information on LTA and the process for applying for protection is available here: www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance. If you hold any form of protection, but haven't yet told us, please contact us with your protection notification number and your scheme administrator reference; if you applied before HMRC's online service was available, please send us a copy of your protection certificate. Similarly, you'll need to tell us in writing if you've lost any protection.

Please note: If you have told us that you hold Individual Protection 2014 or Individual Protection 2016, this statement will measure your benefits against the standard LTA. However please be assured that your protection will be taken into account at retirement.

Percentage of lifetime allowance (LTA) used by this post:	BE
LTA amount for this post:	BD

Annual Allowance

The annual allowance is a limit on the maximum amount of pension savings that can be built up in any one tax year before liability to an annual allowance charge arises. Some carry forward of unused allowance is permitted. The standard annual allowance is currently £40,000. However, you can reduce or negate any tax charge by carrying forward any unused allowance from the three previous years. We will send you a Pensions Savings Statement by 6 October if the growth in the value of your pension savings is close to, or exceeds, £40,000.

If you are a high earner your benefits may need to be tested against a 'tapered annual allowance' instead of the standard annual allowance. The tapered annual allowance is a reduced annual allowance applying to high earners since 6 April 2016.

If you are a high earner or the growth in value of your LGPS pension savings is close to, or exceeds the standard annual allowance we will send you a separate pension savings statement. This exercise will be completed by 6 October.

For more information on pensions-related tax, please visit: www.gov.uk/tax-on-your-private-pension

Disclaimer

This statement provides details of the benefits you may receive from the scheme, based on the information provided to us by your employer. You should not base any retirement plans solely on this statement alone; if you are considering claiming your benefits please contact the Pensions Unit to request a formal estimate.

Annual Benefit Statement at Z

Summary of Total Benefits at Z

This box contains your total benefits, in both the final salary scheme (for service before 1 April 2014) and the CARE scheme (for service after 1 April 2014). A breakdown of your benefits from both schemes is shown in the boxes below, with a projection to your Normal Pension Age (NPA) shown overleaf.

Pension (per year)	AA
Lump sum	AB
Value of Death Benefits as at Z	
Death Grant	AG
Adult survivor pension (per year)	AH

Breakdown of your Final Salary Pension Benefits as at Z

Pensionable Pay for the year to Z used to calculate pre- 1 April 2014 benefits	Y
Pensionable service up to 31 March 2014	
Pension (per year)	CA
Lump sum	AX
	AY

Break down of your CARE Pension Benefits as at Z

Amount of pension built up in V/W

Pensionable Pay for the year to in the Main section
Pensionable Pay for the year to in the 50/50 section

AK
AL

Main section pay ÷ 49 = AM	+	50/50 section pay ÷ 98 = AN	+	Additional pension bought during year = AO	+	Transfers in during the year = AP	=	Total pension in V/W = AQ
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Total CARE Pension built up to

Opening balance as at 1 April V = AR	+	Increase for cost of living (added 1 April V) = AT	+	Total built up in V/W (as shown above) = AQ	=	Total CARE pension at Z = AV
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Annual Benefit Statement at Z

Private and Confidential

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Your Personal Details

Name	DE
Marital status	F
Employer at Z	Q
Date joined scheme (this record only)	S
Employee number	P
Section of scheme at Z	V

Please note: the benefits calculated in this statement are based on the pay figures provided by your employer. You must contact us as soon as possible if you think the pay figures used are incorrect. As the law only requires pay figures to be kept for 6 years, it will be very difficult to correct a problem that is spotted after this time!

Projections if you remain a contributing member of the scheme until AJ i.e. to your Normal Pension Age (NPA)

Value of your benefits at NPA		Value of death benefits at NPA	
Total pension at NPA (per year)	BM	Adult survivor pension (per year)	BQ
- made up of:		- made up of:	
projected CARE pension of	BN	projected survivor's CARE pension of	BO
projected final salary pension of	BR	projected survivor's final salary pension of	BT
Lump sum	BP		



Private and Confidential

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This section shows you the value of benefits held up to your date of leaving in this employment.

It is important that you read the explanatory notes for more detail.

Deferred Benefit Statement 2022

Dear C E

I am pleased to provide you with your 2022 Deferred Benefit Statement, which shows the value of the deferred benefits you hold in the Teesside Pension Fund, part of the Local Government Pension Scheme (LGPS). If you hold more than one deferred pension in the Fund, you will receive a separate statement in respect of each post. Your benefits are based on the following information:

Your Personal Details

Name:	L E
Date of birth:	O
Date left scheme:	P
Former employer:	B

It is important that the above details are correct as any inaccuracies may affect the benefits payable.

Estimated value of Deferred Benefits payable from Normal Pension Age (NPA) (see notes)

Your NPA	R
Pension (per year)	S
Lump Sum	T
Adult survivor pension (per year) *	U

** only payable in the event of your death*

The figures shown here are the standard benefits available at your Normal Pension Age (NPA). If the benefits are paid before this date, the figures are likely to be reduced. Whilst every effort has been made to ensure the accuracy of your statement, please contact us before applying to have your benefits brought into payment.

Yours sincerely

Graeme Hall
Operations Manager

Please Contact:

Telephone: (01642) 030693

Email: pensionsunit@xpsgroup.com

Your Reference: /001

29th March 2023

Dear

**TEESSIDE PENSION FUND - Estimate of Benefits – Age Retirement
LOCAL GOVERNMENT PENSION SCHEME REGULATIONS**

Further to your request for a pension estimate, the benefits outlined below would be payable:

Type of Estimate:	Early / Normal Retirement
Date of Leaving:	dd/yy/yyyy
Pensionable Remuneration for final salary benefits:	£xx,xxx.xx
Service used in calculation of final salary benefits:	xx Yrs xxx Days

Service used in calculation of CARE benefits:**Option A – Standard Benefits**

Pension	£ xx,xxx.xx per year
Includes early retirement reduction of:	£ xx,xxx.xx

Lump Sum	£ xx,xxx.xx
Includes early retirement reduction of:	£ xx,xxx.xx

Option B – Maximum Conversion

Pension	£ xx,xxx.xx per year
Includes early retirement reduction of:	£ xx,xxx.xx

Lump Sum	£ xx,xxx.xx
Includes early retirement reduction of:	£ xx,xxx.xx

**** This includes your AVC payment projected up to **/**/****. The estimated value of your AVC is £*****.**
DELETE IF NOT APPLICABLE ****

At the time of retirement a member can elect to take either option A or option B, or a lump sum that is between those shown above. The lump sum will be increased by £12 for every £1 of pension given up.

Assuming you elect to take the standard benefits shown above, your pension benefits will account for 11.42% of your Lifetime Allowance (LTA). LTA is the amount of pension that HM Revenue & Customs allows you to receive

over your lifetime without incurring an additional tax charge. This amount is currently set at £1,073,100.00. If the benefits above, together with any other pension benefits you already receive take you over the 100% limit, you should contact us for more information.

You will be given further commutation options, including details of any tax charges you may incur, when you retire.

Please note: This estimate is for illustration purposes only and is not a 'final retirement benefit offer'. As the Scheme regulations and associated factors provided by the Government Actuary's Department are subject to amendment, XPS Administration cannot guarantee that future change will not alter the level of benefits to which you are entitled.

You are only entitled to a maximum of two estimates within a 12 month rolling period, any additional requests will be charged at £120.00 + VAT per estimate (£144.00). Alternatively you can sign up to our Member Self Service (MSS) as shown below to produce your own estimates.

Would you like to view your benefits online?

We have recently launched our Member Self Service (MSS), it is available to all active scheme members and allows you to log into your own personal pension record. It is a secure website which allows you to use a benefit projector and view your Annual Benefit Statement online.

To sign up please visit our website www.teespen.org.uk selecting:

Member Self Service > Registration Form for Member Self Service

If you require any help to sign up to this service please email MSS@xpsgroup.com

Yours sincerely

Teesside Pension Fund

2023/24 Employee Contribution Bands



2023/24 Employee Contribution Bands

The table below sets out the Employee Contribution Bands effective from 1st April 2023. These are calculated by increasing the 2022/23 Employee Contribution Bands by the September 2022 CPI figure of 10.1 per cent and then rounding down the result to the nearest £100.

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £16,500	5.50%	2.75%
2	£16,501 to £25,900	5.80%	2.90%
3	£25,901 to £42,100	6.50%	3.25%
4	£42,101 to £53,300	6.80%	3.40%
5	£53,301 to £74,700	8.50%	4.25%
6	£74,701 to £105,900	9.90%	4.95%
7	£105,901 to £124,800	10.50%	5.25%
8	£124,801 to £187,200	11.40%	5.70%
9	£187,201 or more	12.50%	6.25%

The Automatic Enrolment trigger remains unchanged. On 26 January 2023, DWP published its review of the Automatic Enrolment Thresholds for 2023/24. The Pensions Act 2008 requires DWP to annually review various Thresholds relevant for Automatic Enrolment rules. The earnings trigger remains at £10,000 for 2023/24.

Actions to take:

Ensure the appropriate contributions are taken from members' pay from 1st April 2023

Lump Sum Death Grant – Expression of Wish Form

Any lump sum payable in the event of your death may be paid to your legal personal representatives, a nominated beneficiary or distributed at the discretion of Middlesbrough Council, the administrators of the Teesside Pension Fund.

This form may be used to inform Middlesbrough Council of your wishes with regard to the payment of any cash sum arising in the event of your death and, although Middlesbrough Council is not bound by the contents of the nomination form, we will endeavour to honour your wishes.

The main advantage of completing this form is that if payment is made to your nominated beneficiaries, the payment will not form part of your estate and will therefore not count towards inheritance tax. Also, by completing this form, payment of any death grant can be made without Middlesbrough Borough Council requiring sight of legal documents.

Once you have completed your expression of wish form it is vital that you keep it up to date as certain life events (marriage, divorce etc) may result in you wanting to change your wishes. Middlesbrough Council will only act on the most up to date form therefore if you wish to add or remove a beneficiary, you must complete a new form.

By completing the form you are requesting that Middlesbrough Council consider making payments of any cash sum due from the Teesside Pension Fund in accordance with your wishes as indicated overleaf. Although you are under no obligation to state your relationship with the person(s) you nominate, providing this information will help Middlesbrough Council when exercising their discretion.

Please ensure that your form is witnessed by a person aged 18 years or over, who is not a member of your family and is not one of your beneficiaries.

If you left the LGPS on or after 1 April 2008

A lump sum death grant will be paid if you die and less than 10 years pension has been paid and you are under age 75 at the date of death. The amount payable would be:

- 10 times the level of your annual pension in respect of your membership of the scheme after 31 March 2014 (before giving up any pension for a tax free cash lump sum), less any pension already paid to you in respect of your post 31 March 2014 membership and the amount of any tax-free cash lump sum you chose to take by giving up some of the pension you built up after 31 March 2014 when you drew your pension at retirement, plus
- 10 times the level of your annual pension in respect of your membership of the scheme before 1 April 2014 (after giving up any pension for a tax free cash lump sum), less any pension already paid to you in respect of your pre 1 April 2014 membership.

If you left the LGPS before 1 April 2008

A lump sum death grant will be paid if you die and less than 5 years pension has been paid and you are under age 75 at the date of death. The amount payable would be:

- 5 times the level of your annual pension in respect of your membership in the scheme (after giving up any pension for a tax free cash lump), less any pension already paid to you.

If you left the LGPS before 1 April 1998

The calculation of the death grant depends on whether you have more than, or less than, 10 years service that counts towards the calculation of your pension benefits. The calculation is complex, however you can ask for an estimate of the amount that may be payable. We will confirm any amount due in the event of your death to the nominees listed on this form.

In the event of my death, I would like Middlesbrough Council to consider making payments of any cash sum due from the Teesside Pension Fund as indicated below. I understand that Middlesbrough Council is not bound by this nomination.

Name:	Employer:
Reference Number: /001	Job Title:
Home Address:	

Personal Details – Nomination 1
Proportion % (a)

Surname:		
Forename(s):	Date of Birth	/ /
Address:		
Relationship:		

Personal Details – Nomination 2
Proportion % (b)

Surname:		
Forename(s):	Date of Birth	/ /
Address:		
Relationship:		

Personal Details – Nomination 3
Proportion % (c)

Surname:		
Forename(s):	Date of Birth	/ /
Address:		
		(a) + (b) + (c) MUST TOTAL 100%
Relationship:		

Declaration – THIS SECTION MUST BE COMPLETED IN FULL

Signed: (<i>Nominator</i>)	Date:
Witnessed By: (<i>signature</i>) *	
Print Full Name (<i>witness</i>): *	Date:
* (<i>Witness must be aged 18 years or over and cannot be a family member or Nominee</i>)	
Address (witness):	

If additional nominations are required enter the details on a separate sheet

Please Contact:

Telephone: (01642) 030693

Email: pensionsunit@xpsgroup.com

Your Reference: /001

31st March 2023

Dear

**TEESSIDE PENSION FUND - Notification of Retirement Benefit
LOCAL GOVERNMENT PENSION SCHEME REGULATIONS**

Following your retirement from Middlesbrough College on dd/mm/yyyy, you are entitled to the retirement benefits shown below. Please refer to the attached statement for details of how your benefits have been calculated.

Retirement Pension dd/mm/yy	£xx,xxx.xx £ xx,xxx.xx	per year per month
Retirement Pension dd/mm/yy Following Revaluation	£ xx,xxx.xx £ xx,xxx.xx	per year per month
Retirement Pension dd/mm/yy Following PI	£ xx,xxx.xx £ xx,xxx.xx	per year per month
Retirement Grant	£ xx,xxx.xx	
Contingent Spouse's Pension	£ xx,xxx.xx	per year

The above figures represent xx.xx% of your Life Time Allowance (LTA). This figure should be given to any other pension provider you may have. Please ensure that you keep this letter for future reference.

Your pension will be paid on the last working day of every month, the first payment being on dd/mm/yyyy. This will include a temporary payment of £ xx,xxx.xx for the period dd/mm/yyyy to dd/mm/yyyy.

Your retirement grant will be paid directly into the account you quoted on your bank mandate form on dd/mm/yyyy.

If you change your address or banking arrangements, please inform me immediately **in writing** with your signature beneath the revised details.

PENSIONS PAY ADVICE

You will only receive a pay advice if your monthly net pension changes by more than £1.00. For example, the annual Pensions Increase or changes to your tax code. The payment of your pension WILL NOT be affected. You will get your pension every month even if you do not receive a pay advice. Please write to the above address if you require proof of payment.

RIGHT OF APPEAL

If you disagree with my decision as to the amount of benefit to which you are entitled, please contact me at once so that I can confirm or adjust my decision according to the circumstances. If you are still dissatisfied, you have the right to have your complaint independently reviewed under the Internal Dispute Resolution Procedure (IDRP). Your application to appeal must usually be made within six months from the date of the decision against which you wish to appeal. A Leaflet explaining the IDRP is available on request by writing to the Teesside Pension Fund. However, to avoid any unnecessary effort on your behalf, we would welcome the opportunity to attempt to resolve with you the matter with which you are dissatisfied before you resort to a formal complaint.

INCOME TAX

Your initial pension payments will be taxed using tax code 'OT'* (unless form 'P45' is received from your previous employer) until notification of coding is received from Her Majesty's Revenue & Customs (HMRC). Once you start to receive your pension you may wish to check with HMRC that the correct tax code has been applied to your pension.

* Tax code 'OT' will deduct tax relative to your earnings (for example: 20, 40 and 45% tax will be deducted depending on your earnings).

For your information the Tax Office dealing with your pension is:

Please quote Ref: 406 / M7400

PAYE & Self Assessment
HM Revenue & Customs
BX9 1AS

Telephone No. 0300 200 3300

If you have any queries, please contact on (01642) xxxxxx.

Yours sincerely

STATE SCHEME INFORMATION

The Social Security Pensions Act 1975 required the Department of Social Security (DSS) to provide a two-tier State Pension after 5 April 1978:

Basic Retirement Pension

Additional Pension (earnings related) (SERPS)

The Local Government Pension Scheme (LGPS) is a contracted-out occupational pension scheme. This means members of the LGPS pay reduced National Insurance contributions and are therefore contracted-out of the Additional Pension (SERPS) part of the state scheme.

The Additional Pension part of your State Pension will be reduced because you are receiving a pension from the LGPS. But, by law the LGPS must pay a pension that is not less than a guaranteed amount. This is called your Guaranteed Minimum Pension (GMP) and is a notional value of the Additional Pension that would have been paid had you paid into the state scheme up to 5 April 1997. For service since 6 April 1997 the LGPS must satisfy a statutory standard by providing benefits that are broadly equivalent to, or better than, the pension that would have been provided by the state. These benefits are known as post-97 Contracted-Out Salary Related rights (Post-97 COSR rights). If the GMP is more than or the same as the Additional Pension your State Pension will not include any Additional Pension. If the GMP is less than the Additional Pension the difference is added to your State Pension.

Except for the amount built up from April 1988 your GMP will remain at the same level, but your Additional Pension will be looked at each year, by the DSS to ensure it is protected against inflation. If the Additional Pension is increased, it will again be compared with your GMP in the same way as described above.

The LGPS will increase your GMP built up from 6 April 1988 in line with the cost of living to a maximum of 3%. Pension rights that accrue from 6 April 1997 onwards will increase in line with the cost of living to a maximum of 5%.

The State Pension is currently paid from the age of 65 for men and 60 for women. The retirement age will be gradually raised to 65 by 6 April 2020 for women born after 6 April 1950.

Members' spouses are entitled to a GMP which in the case of a widow is equal to half of her husband's GMP and in the case of a widower, half of his wife's post 5 April 1988 GMP, providing he/she is over 45 at the date of death or has dependent children.

NATIONAL INSURANCE MODIFICATION

If you were in pensionable employment before 1 April 1980, it is likely that you paid a modified pension (superannuation) contribution, e.g. the basic rate less 6p per week and if this was so, your pension is reduced at State Pension age.

PENSION INCREASES

The Pensions (Increase) Act 1971 along with the Social Security Act 1975 and various other Social Security Acts ensures that retirement pensions, spouses' and dependants' pensions are increased in line with the cost of living.

You will not qualify for pensions increase if you are under 55 unless you retired on the grounds of permanent ill-health or have become permanently unfit for work since retiring. When you reach the age of 55 your pension will be increased by the accumulative rate of all the rises in the cost of living between going on pension and reaching age 55.

Pensions are currently increased in April each year.

When a pensioner has attained State Pension age, pension increases are normally only applied to a pension after any GMP has been deducted. The pension increases on the GMP would then be paid with the State Retirement Pension.

You will receive a notification of your GMP entitlement at State Pension age from the department of Social Security.

Please Contact: Technical Team
Telephone: (01642) 030696
Fax: (01642) 030700
Email: tech@xpsgroup.com

Your Reference:

Dear

Local Government Pension Schemes - Annual Pension Savings Statement (PSS)

This document sets out the increase in your pension savings from the Local Government Pension Scheme(s) in the 2021/22 Pension Input Period (PIP) for comparison against HM Revenue & Customs (HMRC) '**Standard Annual Allowance**' threshold of £40,000. Neither XPS, nor your employer, are qualified or registered to give tax advice. This information will help you determine if you must pay a tax charge. Information provided is based on XPS's current understanding of HMRC rules and details provided by your employer. If you are unsure about how you may be affected by the information provided, you should seek appropriate professional advice.

After taking account of your previous unused allowances, we estimate that your Pension Input Amount across all of the Teesside Pension Fund is £.

The taxable Pension Input Amount is £. See overleaf for a full breakdown.

If your Taxable Pensions Input is higher than £0.00 (zero), you must complete a self assessment tax return to inform HMRC. You will also need to pay tax on this amount. You can ask the scheme to pay the tax charge on your behalf in exchange for a permanent reduction to your pension. If you would like to explore this option please complete and return the Scheme Pays Quotation Request form at the end of this document.

The pay used to calculate your pension input is *gross* pensionable pay for the period 6 April 2021 to 5 April 2022, not the *taxable* figure quoted on your P60. If you worked part time, this is the pay you *would* have received if you had worked full time. Please review and retain your Pensions Saving Statement and contact us immediately if any of the data is incorrect, as this may affect your Pension Input Amount calculation. For further details and full guidance notes for the Annual Allowance process, visit www.myownpension.co.uk

If you have any queries, please contact the team on the above telephone number.

Yours sincerely



Graeme Hall
Operations Manager

Pension Savings Statement

Input Period: 6 April 2021 - 5 April 2022

Annual Allowance: £40,000.00

Name:

Scheme: Local Government Pension Scheme

Teesside Pension Fund aggregate across all records

If you have multiple employments in the Teesside Pension Fund, the amount shown below is the aggregate across all employments. The breakdown of this employment is shown on the next page, and you will have a pensions savings statement for each of your roles. Based on the information we hold, the growth in your pension savings across the Teesside Pension Fund during the Pension Input period 06/04/2021 – 05/04/2022 is shown below:

Pensions Input Amount for the period	Taxable Pension Input
£	£



If your Taxable Pensions Input is higher than £0.00 (zero), you must complete a self assessment tax return to inform HMRC. You will also need to pay tax on this amount.

Please note: This statement DOES NOT include any additional pension savings that you may hold in any other pension arrangement.

You should keep this letter in a safe place to provide evidence to HMRC, if required, even if no tax was due for the period.

This Statement is based on current legislation only. Any changes resulting from the recent McCloud judgement will not be reflected in figures until October 2023 at the earliest. If your taxable annual allowance figure alters as a result of applying any changes relating to the judgement, we will contact you with details of any actions you will need to take.

Even if you have not exceeded the maximum allowed PIA, you should retain this statement as evidence in case HMRC make future enquiries about this tax year. When you fill in your tax return online, you will need to input the data provided on your Pension Savings Statement. Excess pension savings are added to your taxable income. You pay Income Tax on taxable income at the tax rate that applies to you – www.gov.uk/income-tax-rates. The system will work out your tax charge for you. Information on how this charge is calculated, together with worked examples, can be found at – www.hmrc.gov.uk/pensionschemes/understanding-aa.htm#4.

Pension Savings Statement

Input Period: 6 April 2021 - 5 April 2022

Pensionable Pay: £

Name:

Scheme: Local Government Pension Scheme

Pension Input Period (PIP)	Annual Allowance	Value of Pension at 06/04 (Start of PIP)	Value of Pension at 05/04 (End of PIP)	Value of Lump Sum at 06/04 (Start of PIP)	Value of Lump Sum at 05/04 (End of PIP)	Pension Input Amount	Unused Allowance (Carry Forward)	Taxable Pension Input	Scheme Pays Debit Applied	Pensionable Pay
		£	£	£	£	£	£	£	£	£
06/04/2021 - 05/04/2022	40000.00									
06/04/2020 - 05/04/2021	40000.00									
06/04/2019 - 05/04/2020	10000.00									
06/04/2018 - 05/04/2019	40000.00									



Please note: This statement includes any Additional Voluntary Contributions (AVCs) you have made during the period.

Figures shown DO NOT include any additional pension savings that you may hold elsewhere. If you have pension savings in other schemes, you will need to add growth from all your savings together to compare to the Annual Allowance.

Pension Saving Statement - Notes

What is the Annual Allowance?

The **Annual Allowance** is the total amount of pension savings you can make each year before incurring a tax charge. All your pension savings in the Local Government Pension Scheme, as well as any AVCs or contributions to personal pensions or stakeholder arrangements you are making, should be added together each year to determine your **Pension Input Amount (PIA)**. This is then tested against the **Standard Annual Allowance** which is currently set at £40,000.

How do I know if I have a tax charge?

The calculation to determine how much your benefits have increased over the pension input period is provided by tax authorities and depends on which scheme your benefits are in:

LGPS

$[(16 \times A) + \text{Lump Sum}] - \{ [(16 \times B) + \text{Lump Sum}] \times \text{Appropriate percentage} \} + \text{AVC}$

A = Closing Pension

B = Opening Pension

AVC = Additional Voluntary Contributions

Appropriate Percentage

0.5% for 2021/22

Annual Allowance Charge

Any growth in your benefits in excess of the **Annual Allowance** may be subject to tax. This tax is called the **Annual Allowance charge**. Please remember that when checking to see if you have exceeded the **Annual Allowance** you must include *all* of your pension savings, including additional voluntary contributions (AVCs), with the exception of your state pension, not just the benefits you hold in this scheme.

Carry Forward

Even if your **PIA** does exceed the **Annual Allowance**, you still might not have to pay an **Annual Allowance tax charge**. This is because you can carry forward any unused **Annual Allowance** from the previous three tax years to 2021/22; this will give you a higher amount of available **Annual Allowance**.

There is a strict order in which you can carry forward any unused **Annual Allowance**. You use the **Annual Allowance** in the current year first, then use any unused **Annual Allowance** from earlier years, using the earliest tax year first. We have calculated your unused **Annual Allowance** and the **PIA** subject to a tax charge based on your benefits from this scheme only. If you have any other pension savings or you wish to check our calculations a calculator is available on the HMRC website - <https://www.tax.service.gov.uk/pension-annual-allowance-calculator>.

How do I tell HMRC that my benefits have exceeded the Annual Allowance limit?

You will **only** need to inform HMRC if, after allowing for any carry forward, the total growth in your pension savings for the 2021/22 tax year is greater than £40,000 or your tapered AA (if you have one). Where it is, you will need to complete a self-assessment tax return. You need to register with HMRC as soon as possible (if not done already). More information can be found at – www.gov.uk/self-assessment-tax-returns.

Can I ask the scheme to pay the tax charge?

Yes - If the scheme pays your Annual Allowance tax charge on your behalf your employer will claim it back via a permanent reduction to your pension benefits; this is called scheme pays. There are two types of scheme pays facilities available for use if you have incurred an annual allowance tax charge. These are known as Mandatory Scheme Pays (MSP) and Voluntary Scheme Pays (VSP).

Paying the Tax Charge

The type of election you will need to use is dependent upon your own individual circumstances and require you to take different actions at different times. It is important that you complete all actions within the timescales set otherwise you will incur further charges and possible fines.

Mandatory Scheme Pays (MSP)	Voluntary scheme pays (VSP)
<p>MSP can only be permitted if the following conditions are met:</p> <ul style="list-style-type: none"> Your pension growth in any one of the Local Government pension schemes exceeds the standard AA; Your total AA charge is more than £2,000; and Your election for MSP is received by 31 July 2023 	<p>VSP can only be permitted in the following circumstances:</p> <ul style="list-style-type: none"> You have a tapered AA and a corresponding tax charge of £1,000 or more. Your pension growth across multiple Local Government schemes exceeds £40,000 and you have a corresponding tax charge of £1,000 or more Your election for VSP is received by 31 January 2023



If you want to know how much the potential reduction to your pension will be, you need to provide confirmation of your tax charge. A Scheme Pays Quotation Request form is included at the end of this document. On receipt we will let you know how your future benefits will be affected and you can then decide if you wish to proceed.

If you want the scheme to pay your **Annual Allowance charge** for the tax-year **2021/22** you **must** provide the Pensions Unit with a scheme pays election. Once you have opted to utilise **scheme pays**, you cannot change your mind so think carefully before you decide.

Key Dates – Scheme Pays

To enable us to process your scheme pays election on time all documentation must be returned by relevant date.

ACTION	DETAIL	HMRC DEADLINE	RELEVANT DATE REQUIRED BY
REGISTER FOR SELF ASSESSMENT TAX	IF TAXABLE EXCESS REQUIRES	N/A	AS SOON AS POSSIBLE MEMBER
SUBMIT SELF ASSESSMENT TAX RETURN	BY PAPER ONLY	31 OCTOBER 2022	31 OCTOBER 2022 MEMBER
SCHEME PAYS QUOTE REQUEST	COMPLETE SCHEME PAYS REQUEST FORM. RETURN TO XPS	N/A	16 NOVEMBER 2022 MEMBER
SCHEME PAYS QUOTE PROVIDED	ONLY IF REQUESTED BY 16 NOVEMBER 2022	N/A	07 DECEMBER 2022 XPS
RETURN SCHEME PAYS ELECTION	TO XPS ADMIN	N/A	14 DECEMBER 2022 MEMBER
SUBMIT SELF ASSESSMENT TAX RETURN	ONLINE ONLY	31 JANUARY 2023	31 JANUARY 2023 MEMBER
TAX CHARGE PAYMENT	NON-SCHEME PAYS ONLY	31 JANUARY 2023	31 JANUARY 2023 MEMBER
TAX CHARGE PAYMENT	VOLUNTARY SCHEME PAYS ONLY AND ELECTION RECEIVED BY 14 DECEMBER 2022	31 JANUARY 2023	31 JANUARY 2023
TAX CHARGE PAYMENT	MANDATORY SCHEME PAYS ONLY AND ELECTION RECEIVED BY 14 DECEMBER 2022	14 FEBRUARY 2023	14 FEBRUARY 2024



DATES SHOWN MAY NOT BE STATUTORY DEADLINES AND HAVE BEEN CHOSEN TO FACILITATE PROCESSING OF CALCULATIONS, SO THAT MEMBERS CAN COMPLETE TAX RETURN IN GOOD TIME.

Notification of intent in respect of taxable pension input for 2021/22 tax year

You must return this form to XPS if you have a taxable input amount for the 2021/22 tax year and you would like to consider making a scheme pays election. If you do not, you risk fines and late payment charges by HMRC in addition to the tax that is owed.

I, _____, have a taxable input for the 2021/22 tax year of £ _____ and:

Scheme Pays Quotation Required

Please tick one option and enter the amount of tax due.

I am not subject to a tapered annual allowance, have calculated the tax due on the above amount to be £ _____ and will make my own arrangements for payment of this to HMRC.

I am not subject to a tapered annual allowance, have calculated the tax due on the above amount to be £ _____ and would like to be provided with an illustration of the effect on my benefits should I choose to elect for the scheme to pay HMRC on my behalf.

Scheme Pays Quotation Not Required

I am subject to a tapered annual allowance, have calculated the tax due on the above amount to be £ _____ and will make my own arrangements for payment of this to HMRC.

I am subject to a tapered annual allowance and have completed the pro forma overleaf. Please provide me with a scheme pays quotation based on the information provided

I understand that the above request is NOT an election for scheme pays. Upon receipt of this form I understand that XPS will provide me with a scheme pays quotation and a scheme pays election form which I will be required to complete and return should I wish to proceed with a scheme pays election.

National Insurance Number: _____

Telephone Number: _____

Email (Work): _____

Email (Home): _____

Signed: _____ Date: _____

Please return this form to:

**XPS
Pensions Unit
PO Box 340
Middlesbrough
TS1 2XP**

Or tech@xpsplc.com

Tapered Annual Allowance Pro Forma

Threshold Income

A	Gross Pay (pay before pension contributions are deducted)	£
B	Less Pension Contributions	£
C	Plus Other Taxable Income	£
Threshold Income = (A-B) + C		£

If threshold Income is below £200,000 you **are not** subject to a tapered annual allowance

If Threshold Income is greater than £200,000:

Adjusted Income

D	Threshold Income (as calculated above)	£
E	Plus Total Pension Input Amount (PIA shown on page 1)	£
Adjusted Income = (D+E)		£

If Adjusted Income is below £240,000 you **are not** subject to a tapered annual allowance

If Adjusted Income is greater than £240,000:

Taper Reduction

F	Adjusted Income (shown above)	£
G	Less Threshold Limit (shown above)	£240,000.00
H	Excess = (F-G)	£
Taper Amount = Excess/2 (H ÷ 2)		£

Personal Annual Allowance

I	Standard Annual Allowance	£40,000
J	Less Taper Amount (shown above)	£
K	Reduced Annual Allowance (I-J)	£
Personal Annual Allowance (Higher of £10,000 or K)		£

Taxable Excess

L	Total Pension Input Amount (E above)	£
M	Less Personal Annual Allowance (shown above)	£
Taxable Excess = (L-M)		£

Tax payable

45% Rate

N	Adjusted Income (shown above)	£
O	Less Higher Tax Rate Threshold	£150,000
	Less Personal Annual Allowance	
Amount Payable at 45% = (N-O)		£

40% Rate

P	Taxable Excess (shown above)	£
Q	Less Amount Payable at 45% (shown above)	£
Tax payable at 40% (P-Q)		£

The information provided within this form will help you determine if you have a tapered Annual Allowance and if so what rate of tax will be applied to your excess pension savings. It is based on XPS's current understanding of HMRC rules. XPS take no responsibility for any decisions or actions taken as a result of the information given. If you are unsure about how you may be affected by any of the information provided, you should seek appropriate professional advice. Neither XPS, nor your employer, are qualified or registered to give tax advice.