

# key pension facts.



## Pension savings limits

Contributions into a pension savings plan can generally be made tax free up to certain limits. If you exceed these limits you might not receive tax relief on contributions or may have to pay a tax charge.

### 100% of earnings in a tax year

In most cases you can only receive tax relief on contributions up to 100% of your earnings in any tax year.

### £40,000 in a tax year

The annual allowance is £40,000\* and you will normally pay tax if your total pension savings in a tax year exceed this limit.

### £1,055,000 in your lifetime

The lifetime allowance is £1,055,000\*\*. This is the maximum most people are allowed to save into pensions including investment returns, in their lifetime before incurring a tax charge.

If you exceed these limits it's your responsibility to declare this to HMRC and you may be subject to tax charges. There are a number of options that may help manage your situation.

If you think that you may be impacted by these charges, visit the 'contact us' page to get in touch.

\*Your annual allowance may be reduced to as low as £10,000 if you exceed certain income thresholds or to £4,000 if you have accessed a defined contribution pension pot.  
\*\*Your lifetime allowance is normally measured at the point that you receive your pension.

## Automatic enrolment thresholds

M&S are required to automatically enrol colleagues into Your M&S Pension Saving Plan ("the Plan") if they are:

- On the UK payroll and
- Aged between 22 and State Pension Age and
- Have earnings above the earnings threshold

The earnings threshold is currently £10,000 per year. This is assessed when you are paid, so if you earn over £833 per month or £192 per week you could find yourself eligible for enrolment.

If you are not eligible for auto enrolment you can still choose to join the Plan.

Contributions into it are based on total pay (some exclusion apply such as car allowance and bonuses). As a member of the Plan, you will have to contribute and M&S will also make a contribution on your behalf.

Your contribution will automatically be set at 3% of your total pay, M&S will pay 6% of your total pay. You can then choose to increase your contributions should you wish to pay more than this.

## The New State Pension

You will be able to claim the New State Pension when you reach your State Pension Age, this is currently 65 for men and women but is set to increase in the future. Follow the link in the next steps to the gov.uk website where you can find out your individual State Pension Age.

The full amount of the New State Pension in 2019/20 is £168.60 per week (£8,767.20 per year). To qualify for this full amount, you must have at least 35 qualifying years of National Insurance credits.

A reduction will be made to your starting pension if you have previously been a member of a contracted out pension scheme. For every qualifying year attained beyond 35 any such deduction will be reduced.

To discuss your options with **my wealth**, please contact:



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