

Pensions planning

For senior university staff



There have been substantial recent changes in pension legislation affecting high earners. As a result, senior university staff may now face tax charges on their ongoing pension savings.

Many senior university staff will have built up a high level of pension benefits (possibly with different universities and employers) over the course of their careers and could benefit from a review of their pension arrangements. This is even more important given the changes affecting high earners which were introduced from April 2016.

Those closer to retirement may also benefit from a wider review of the likely value of their pension benefits against the lifetime allowance (LTA) and could consider methods of minimising the consequences of any adverse taxation.

..... Promotions and changing jobs often mean
..... increased pensionable salaries, which can lead to
..... potential annual allowance (AA) charges.

This has been exacerbated since April 2016, as the former £40,000 'standard' AA has been reduced for high earners - down to as low as £10,000. We can assist on methods of minimising such consequences.

With our extensive knowledge of the issues surrounding pension provision for high earners, we can provide a bespoke and specialised service designed to meet each university's needs as well as each individual's requirements.

CASE STUDY

University Y appointed a new Vice-Chancellor. His starting salary was significantly higher than his previous salary which would have led to an AA tax charge.

We reviewed his pension provision in the Teachers' Pension Scheme and advised him on the merits of continuing accrual of pension despite the potential AA and LTA tax charges.

We assisted with the calculation of the AA tax charge, declaration on the tax return and election for "Scheme Pays".

