

## A tax efficient way of saving for your retirement

### Lifetime Allowance

**Limit on pension tax relief over a lifetime**

Standard LTA was **£1,073,100** (2022/23 tax year)

Excess pension saving

You will pay a tax charge on these excess benefits

Total value of benefits across all schemes

April 2023: Changed – no LTA tax charge

April 2024: LTA set to be removed

### Tax relief on pensions

*"Pensions are a tax efficient way of saving for your retirement"*

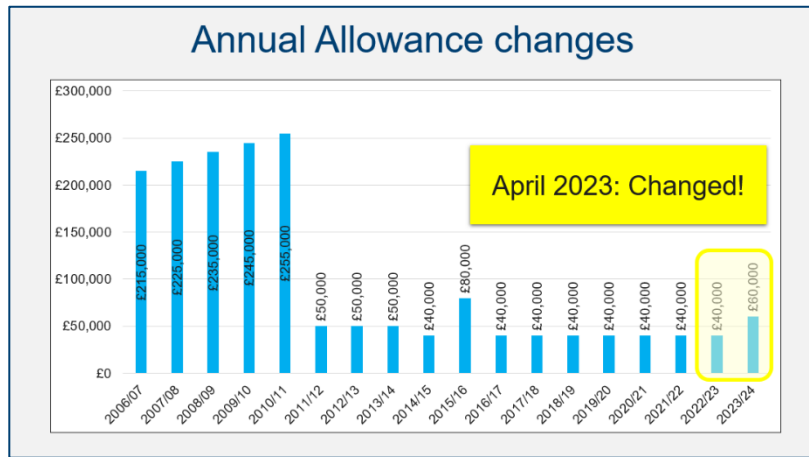
- Tax relief on pension contributions
- Tax relief on investment returns
- At retirement, take up to 25% as a tax free cash lump sum
- Pension is taxed as income
- Possibly lower income tax in retirement than while working

### Tax relief on pensions (excluding AA/LTA)

Tax relief on pension contributions (not allowing for the AA or LTA)

Legend: Gross contribution (Red), Contribution net of tax (Blue dashed), Contribution net of tax and NIC (Blue dotted)

Annotations: Tax rate 20%, NI 12%; Tax rate 40%, NI 2%; Tax rate 45%, NI 2%; Loss of tax free Personal Allowance (pension contributions delay this)



### Where can I get help?

- Unilever Expert Admin Team's:** "Annual Allowance Helper" tool to use with your letter [Here](#)
- Unilever Expert Admin Team's:** "Pension Tax – Annual Allowance" booklet with examples [Here](#)
- Money Matters:** Pension Choices One-to-Ones to help with general understanding and pension choices [Here](#)
- Independent Financial / Tax Adviser:** Your responsibility to manage tax [Here](#)

### Next steps

- Consider how to use your Benefits Envelope**
  - Higher earners may be affected by the tapered Annual Allowance
- Monitor your position**
  - If you receive a large pay rise, or are considering a significant increase in pension contributions
  - If you are a high earner and have a tapered Annual Allowance
- Pensions Savings Statement**
  - Issued in October to members who breach the standard Annual Allowance of £60,000
  - Review last year's statement (if received)
- Annual pension figures**
  - Issued July
- If you need further help**
  - Contact the specialist pensions Expert Admin Team (E.A.T.) at Unilever
  - Consider a financial adviser

## Annual Allowance: Limit on pension tax relief over a tax year

### Annual Allowance

**Limit on pension tax relief over a tax year**

Standard Annual Allowance is currently £60,000 (2023/24 tax year)

You might incur a charge on the excess...  
...unless you have enough "carry-forward"

Higher earners may have a lower Annual Allowance

### How are your pension savings calculated?

**UUKPF**  
DB Career average plan & Final salary plan  
"Defined Benefit"

DB pension savings in tax year = Increase in Pension over a tax year (above inflation) × 16

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DC Investing plan or Retirement Savings Plan (RSP)  
"Defined Contribution"

DC pension savings in tax year = Gross contributions paid in over a tax year

### Could you have an Annual Allowance problem?

Keep track of your own position

The UUKPF will send you a statement in October if your pension savings exceed £60,000 in the last tax year

- shows your pension savings for the last tax year
- and the previous 3 years

So you can work out your unused AA to carry forward.

It is **your** responsibility... to keep track of any other pension savings made in the same tax year, and to declare to HMRC

### Could you have an Annual Allowance problem?

While employed by Unilever

- Tapered annual allowance
- Large salary increase in year
- High contributions to the DC Investing plan or RSP
- Late retirement
- Lots of service in the Fund

Contact Unilever's pensions Expert Admin Team (E.A.T) if you need help

### Could you have an Annual Allowance problem?

On redundancy or at retirement

**Increases your chances of an AA problem**

- Tapered Annual Allowance
- Putting redundancy pay into your pension
- Increase in pension contributions before retirement
- Late retirement increases
- Taking the level pension option

E.g. Level pension increase of £4,000 pa  
→ Annual Allowance = £4,000 × 16 = £64,000

**Decreases your chances of an AA problem**

- Early retirement
- Retire at start of tax year

At retirement 121

**MONEY MATTERS**

Note: Taking the level pension option does not increase your maximum tax free cash

Contact Unilever's Expert Admin Team (E.A.T.) for more help:  
[expertadminteam@unilever.com](mailto:expertadminteam@unilever.com)

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