

Money Purchase Annual Allowance – Flexible Access Notification Statement

Name

National Insurance Number

Name of Drawdown Plan

Contributions to pension saving plans attract tax relief to encourage saving for income in retirement. In most circumstances £40,000 can be contributed to pension saving plans in a tax year and attract tax relief.

HMRC have rules in place that are designed to stop income that has already received beneficial tax treatment being used to gain further tax relief. These rules, known as the Money Purchase Annual Allowance (MPAA), limit the amount that you can contribute to money purchase pension saving plans if certain types of income withdrawals are made from pension savings.

As the funds in your Drawdown Plan have already received beneficial tax treatment and you have taken income from your Plan, the MPAA limit will apply to you. Any future contributions that you make to money purchase personal pension plans will be restricted to that limit.

If you are contributing to any money purchase personal pension plans and the total contributions made across all plans exceed the MPAA, you will be liable for an annual allowance charge on the excess contributions. If a charge becomes due, you will be responsible for paying this to HMRC.

If you are contributing to any defined benefit pension schemes, your annual allowance for contributions to these schemes will also be reduced.

As you are subject to the MPAA rules you must tell the scheme administrators of any pension plans that you are contributing to that you are subject to the MPAA rules. You must also tell the administrators of any new schemes that you join that the MPAA rules apply to you.

Details about the timescales in which you must notify other pension providers that you are subject to the MPAA rules and the information that you need to tell them are provided below.

MPAA Trigger Event

Date of Trigger Event

- You must tell the administrator of any pension savings scheme to which you are making contributions that you have triggered the MPAA rules within 91 days of receipt of this notification statement.
- You must tell the administrator of any pension savings scheme that you join that you have triggered the MPAA rules within 91 days of joining the scheme.

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