

# Inform

Client Update

Spring 2019

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Welcome to our latest update which covers:

- > Happy 40th birthday to Dentons!
- > Enhanced online portal - sign up to view your SIPP information
- > Standard lifetime allowance
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If there are any subjects that you would like to see discussed, please contact us.



# Happy 40th birthday!

Dentons is celebrating its 40th birthday in 2019. From our small beginnings in 1979, when we initially offered SSAS, we entered the SIPP market in 1996 and have continued to grow organically and through considered acquisitions.

We now have over 90 staff and continually review workloads to ensure teams have capacity to provide the service that has sustained the ongoing growth of the company over 40 years. In the past few years, we have promoted a number of Senior Administrators to Pension Consultants, following their achievement of exam success to a minimum of diploma status, ongoing training and development. We now have 12 Pension Consultants each leading a team of dedicated Administrators.

Dentons has always prided itself on providing exceptional customer service and since 2012 Dentons has received recognition of its five star service through the Financial Adviser Service Awards. Dentons remains financially strong and stable in a challenging market.

See what some clients have recently said about Dentons:

***"I have been very impressed by the highly professional and commercial service (and I'm not easily impressed!). I would strongly recommend Dentons to anyone with similar circumstances. A very satisfied customer."***

**Client**

***"Dentons are leagues ahead of all of their competitors for the efficiency of the transaction process."***

**IFA**

We look forward to continuing to administer self invested pensions through to our Gold and Diamond anniversaries and beyond.

## Enhanced online portal

Our online portal enables you to view details of your SIPP account at a time that suits you.

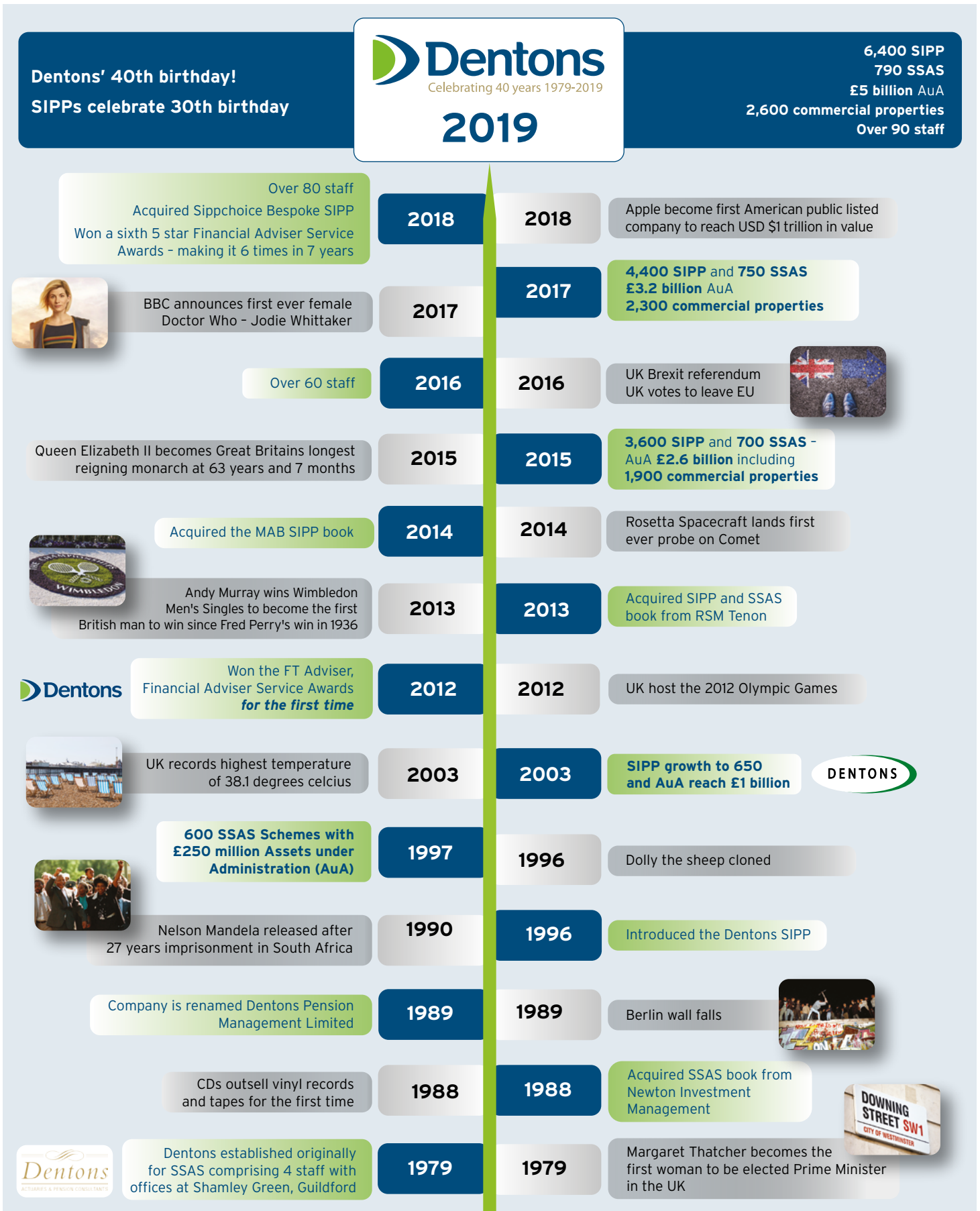
It includes an overview of the assets held, daily valuation of the default Cater Allen cash account, daily download valuation feeds from various platforms, along with information on contributions, transfers and benefits. We have now added further information about property assets, if applicable, copies of recent bank statements so you can view your default account transactions, along with various relevant documents that you can view online or download.



We also provide contact details of your Administrator including their email for ease of communication. If you don't have access, please contact your financial adviser, your Dentons Administrator or the Sales & Marketing team to set this up for you.

# Dentons over the years, 1979-2019

The following graph shows our growth over the years and some key events during this time:



World events source: www.onthisday.com | Dentons statistics as at April 2019

# Standard lifetime allowance

The lifetime allowance is the overall amount of pension savings that you can put into payment (crystallise) without incurring a tax charge.

**The standard lifetime allowance for tax year 2019/20 is £1.055 million.**

Any amount of your pension savings that you crystallise above the lifetime allowance is subject to a lifetime allowance tax charge of 25% if paid as regular income, such as drawdown, or 55% if paid as a lump sum.

In order to avoid a tax charge on your pension savings, you, or your financial adviser if you have one, should closely monitor all your pensions to ensure you avoid or minimise any potential impact of the lifetime allowance. You may have already sought and obtained protection against the effects of the lifetime allowance and changes to it over the years.

There are currently two types of lifetime allowance protection still available - Individual Protection 2016 and Fixed Protection 2016. You can apply for either of these online to HMRC - <https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance>

You can view your Dentons SIPP information, which shows the information we hold on your status for protection and drawdown, through our online portal.

**Lifetime allowance protection can be a very complex subject and you should speak to your financial adviser for advice, if you have one. Or your Dentons Pension Consultant can help with factual information.**

# Annual allowance and carry forward of unused annual allowance

Under carry forward rules, it may be possible to make pension contributions above the annual allowance (currently £40,000 per annum) by carrying forward unused annual allowance from the previous three complete tax years. However, there are some circumstances where a full annual allowance of £40,000 is not available to members.

If you are subject to the "money purchase annual allowance" (MPAA) as a result of drawing income under flexi access drawdown or taking uncrystallised funds pension lump sums (UFPLS), tax relievable contributions are limited to £4,000 pa and carry forward is not available.

The "tapered annual allowance" is different but can also affect tax relievable pension contributions. If your "adjusted income" exceeds £150,000 and your "threshold income" exceeds £110,000 then you will be subject to a tapered annual allowance for that tax year. The tapered annual allowance does not apply if your "threshold income" for a tax year is £110,000 or less even if you have adjusted income of £150,000 or more.

If your threshold income exceeds £110,000 and you have an adjusted income of £210,000 or more in a tax year, you will have a tapered annual allowance for that tax year of £10,000. This means the carry forward available will be based on the tapered annual allowance.

The 2019/2020 tax year is the first tax year in which members might be fully impacted by the tapered annual allowance in relation to carry forward calculations. This is because the tapered annual allowance was introduced with effect from 6 April 2016 and the carry forward calculations from 6 April 2019 will relate to the tax years 2016/17, 2017/18 and 2018/19. It is important, therefore, that you seek guidance on what allowances you are entitled to - not only if you are thinking about using carry forward, but also simply in terms of current year pension contributions; you may be restricted to less than £40,000 contribution because of your earnings and / or drawing benefits flexibly from a pension scheme.



You should also be aware that tax relief for personal contributions in a tax year (including any carry forward) would only be available on

the full amount provided your pensionable earnings in that tax year are at least equal to the gross amount of those personal contributions. For example, if your total gross personal contributions in a tax year were £50,000 (i.e. a net contribution of £40,000 and £10,000 basic rate tax credit) your pensionable earnings in that tax year would need to be at least £50,000.

Like the lifetime allowance, annual allowance and carry forward can be very complex subjects and you should seek assistance if you are unsure how these might affect you.

**\*Adjusted income** includes the member's earnings, dividends, interest on savings and pension contributions (including those made as a result of a salary sacrifice or similar arrangement). For every £2 of adjusted income over £150,000 the annual allowance is reduced by £1 down to a minimum level of £10,000 (i.e. the maximum reduction to the current annual allowance of £40,000 is £30,000).

**\*\*Threshold income** is broadly similar to adjusted income except that pension contributions that entitle the Member to Relief at Source and employer contributions resulting from a salary sacrifice (or similar arrangement) made before 9 July 2015 are excluded.

**We understand that some of the items covered in this update may be complex. If you think they may apply to you, we recommend that you speak to your financial adviser or your Dentons' Pension Consultant.**

**Disclaimer:**

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## Contact us

For more information about any of the subject matters raised in this Update, please contact us.

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## Update your details

If you move home, change your name or other personal details; please contact us as soon as possible by email to your Administrator or [enquiries@dentonspensions.co.uk](mailto:enquiries@dentonspensions.co.uk) to ensure we keep your records up to date.



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