

Still time for year-end pension contributions

This is the time of year to review your pension contributions.

February and March are rightly popular times for reviewing and making pension contributions. By this stage you should have a good idea of what your income for the tax year will be and how much you may be able to contribute as a one-off payment before 6 April arrives.

In this tax year, there are several changes to note:

- Thursday 5 April will be the last day on which you can make a contribution to mop up any unused annual allowance from 2014/15. To do so you will need to first use up your annual allowance for the current tax year.
- The money purchase annual allowance was reduced from £10,000 to £4,000 at the start of this tax year, although the legislation achieving this did not arrive until November. If you have used the new pensions flexibility to draw benefits this may limit the amount you can contribute.
- From 6 April 2018, the lifetime allowance rises by 3% to £1,030,000. At the margin that modest increase may permit more benefits to be taken without triggering tax charges.
- From 6 April 2018, automatic enrolment contribution levels increase, with the total of employee and employer payments rising by about 150%. There will be another increase of around 60% the following year.

If you want to maximise contributions, contact us as soon as possible. The calculations involved can be complex and miscalculations can lead to lost tax relief.

The value of your investment can go down as well as up and you may not get back the full amount you invested.

Past performance is not a reliable indicator of future performance.

The value of tax reliefs depends on your individual circumstances.

Tax laws can change.

The Financial Conduct Authority does not regulate tax advice.