

## Advisers taking advantage of increased contributions for high earners

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Suffolk Life one of the UK's leading pension administrators has seen a marked increase in top up contributions from high earners following a change in guidance announced two weeks ago by HM Revenue & Customs (HMRC).

Carry forward is not a new concept but with the transitional rules applying since A Day, HMRC has been lobbied by the industry to review their interpretation of how the carry forward rules work for the annual allowance for the tax years of 2008-09, 2009-10 and 2010-11.

The result has been a change in guidance indicating that those contributions previously paid in excess of £50,000 will be ignored for carry forward calculations in this transitional phase. Previously those who had made pension contributions in excess of £50,000 in the last 3 years had their carry forward restricted or even removed.

Suffolk Life has seen further top up contributions being paid by high earning individuals since the guidance was published at the end of November.

Chris Jones, Product and Marketing director says "We have seen a marked increase in the number of top up contributions being made with direct reference to the change in guidance. This follows a Talking Points Bulletin that we issued to advisers and we expect to see more in the run up to the end of the tax year when earnings for this tax year become clearer."

Claire Brooks, Pensions Technical Manager adds "This change makes the calculations simpler and more favourable for some in the short term but over the next few years when both types of calculation apply advisers will need to be very careful which tax year they are looking at and which calculation basis applies."

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## About Suffolk Life

Suffolk Life is one of the UK's leading providers and administrators of specialist pension products, primarily Self-Invested Personal Pensions (SIPPs). It has total assets exceeding £4 billion. Suffolk Life owns over 2,200 properties for over 4,000 SIPP investors. All figures are as at April 2011.

Suffolk Life is part of the Legal & General Group.

Established in 1971 and based in Ipswich, Suffolk Life employs around 200 people and has built an enviable reputation based on its expertise and knowledge of the SIPP market.

This has been recognised through numerous awards including:-

- » Technology, Admin and Service award, Income drawdown – Pensions Management 2010, 2009 & 2008  
Defaqto 5 star SIPP award 2010 & 2011
- » Investor in Customers 2 star award 'outstanding' for 2008 and 2010

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