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Changes to Lifetime Allowance (LTA) – Information your high earners may need to know

The lifetime allowance will reduce to £1million from 6 April 2016 and scheme members may need to protect their pension savings from the lifetime allowance tax charge.

HMRC have provided information in [pensions schemes newsletter 73](#) to explain the changes and what a member needs to do to apply for protections. For members to have the new 'fixed protection' they must have no benefit accrual after 6 April 2016, and for the new 'individual protection' they must have savings of at least £1million on 5 April 2016.

If your members wish to know how to calculate the pension savings they have in the LGPS, we have provided more information on our webpages which you may wish to direct them to. [Pensions and tax](#)

Ending of contracting out and the new State Pension – Information for all employees

DWP have produced a number of materials to help employers communicate the changes to National Insurance and the new State Pension to their employees. In December 2015 the DWP issued a letter to all public service employers, via Directors of Finance, informing them of the information available. However, we understand this information may not have reached all LGPS employers so we have attached a link to this letter.

[DWP letter to public service employer](#)

As required by the regulations, Hampshire Pension Fund is writing to all members over a period from December 2015 to April 2016 to advise them that, from April 2016, the LGPS is no longer a contracted out scheme.

Employers may wish to provide more information to their employees to help explain how these changes may affect them and the latest [LGA Bulletin](#) provides information for employers to assist with this.

Further information is available on the DWP website

<https://www.gov.uk/government/collections/state-pension-toolkit>

A factsheet for [public sector employees](#) is also attached giving more specific information on how the changes may affect your employees. There is also a [Q&A document](#) which is for employees who are in the LGPS.

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