

POTENTIALLY SAVE YOURSELF £1,000s - JOIN ALACE AND ACCESS ITS PENSIONS SERVICES

**Pensions are complicated: Taxation is complicated: Rules keep Changing. Too busy to try to understand it all?
Think you are too young to bother?**

THINK AGAIN - YOU'RE NEVER TOO YOUNG!

Want to retire before 66 or 67? Know the implications and cost to you? If you don't know the choices open to you it could cost you dearly!

**Let ALACE help you find your way through the maze.
See some examples on the next page.**

ALACE membership gives you access to high quality, tailored support from its pension consultants at a very competitive hourly rate. This includes:-

- **a personal and confidential service which:-**
 - looks at your own position,
 - highlights the potential issues and costs facing you,
 - guides you through the questions to ask your pension fund and other experts to get accurate information and estimates to inform your decisions, and
 - can put you in touch with reliable experts on the LGPS.

- **support on pension matters, including:-**
 - Frequently Asked Questions and Answers explaining, in layperson's terms, how the LGPS and pension taxation (particularly Lifetime and Annual Allowances) work,
 - regular updates when the LGPS rules and relevant taxation legislation change.

- **support in responding to Government consultations**, and negotiating on your behalf with Government, on proposed changes which could adversely affect high earners,

All ALACE Pensions Services are charged at the rate of **£90 per hour**, well below comparable market rates.

For more information, contact ALACE Honorary Secretary, Ian Miller, at alacehonsec@yahoo.co.uk or on 07515 190917

EXAMPLES OF HOW ALACE HAS HELPED ITS MEMBERS

Individual cases vary, but the examples below show how the experts' support through ALACE's Pension Services have been able to help individuals, supporting well over 200 members to date.

➤ Lifetime Allowance (LTA)

A District Council Chief Executive, aged 57, salary of approximately £133,000 pa, with 30 years pensionable service in the LGPS, and a normal pensionable age (NPA) of 66. ALACE pensions consultants were able to show her that:-

- she was eligible to apply for Individual Protection 2016 (IP16) that gave her a personal LTA of £1.25m compared to the current standard at the time of £1million. This would **save her up to £130,000 in LTA related tax charges when she retired.**
- In addition, at retirement, she could significantly reduce the LTA charge at retirement by swapping taxed index linked pension for tax-free lump sum at a rate of £12 of pension for every £1 of pension. This results in an £8 reduction in the value of benefits for LTA comparison purposes. In her case, she could reduce her LTA charge by up to £70,000 by opting for the maximum tax-free lump sum. This of course would not be suitable for everyone.

➤ Annual Allowance (AA)

A County Council Strategic Director, aged 57, with a salary of £120,000 pa, with about 17 years pensionable service in the LGPS, no other sources of pension, and an NPA of 66, was offered a **temporary pay rise of +£25,000 pa** while covering additional responsibilities.

The ALACE consultant was able to demonstrate that his **potential tax bill of £27,000 in respect of the AA** could be reduced by staging the pay rise or going for the 50:50 option, but that in the long run, it was probably to his net financial benefit to do neither and simply take the pay rise.

➤ Loss of LTA Protection and financial penalty

A Borough Council Chief Executive, aged 54, took out Fixed Protection 2012 (FP12) in March 2012 for a personally protected LTA of £1.8 million. She did not realise that growth in her pension had exceeded the permissible limit. This meant that she had lost her FP12 three years earlier and that she had failed to inform HMRC of this and therefore potentially faced a significant **financial penalty**. The ALACE consultant identified the problem and helped with the explanation to be given to HMRC, which resulted in no financial penalty being charged. She was also helped to take out another LTA protection.

➤ Retirement Decisions, Flexible Retirement; Transfers of Pension Rights; Additional Voluntary Contributions (AVCs); Divorce Settlements; LGPS options (standard membership, 50:50, or opting out); Incorrect Advice from Pension Funds' Administrators

ALACE has been able to support its members on a wide range of pension-related issues, such as those listed above, and many more, helping them to save up to six figure sums.