



CONTRIBUTIONS

Q What types of contributions are there?

A Employer

This is where your employer makes payments directly into your pension. These will be made gross meaning that we will not reclaim any tax on the contributions.

Personal

This is where you as the pension member make contributions into your pension. If you meet certain criteria, we will reclaim basic rate tax on the amount contributed. If you are a higher rate tax payer, you can reclaim the balance of the tax in your self-assessment return.

Third party

This is where a third party (e.g. a parent or spouse) makes a contribution into your pension. We will reclaim tax on these contributions as if they had been made by you.

Q How do I contribute?

A You need to complete a 'Supplementary Contribution Form' from the Literature section of our [website](#). This covers making both single contributions and setting up regular contributions.

Q How much can I contribute and what tax can be reclaimed?

A There are no limits on the amount you can contribute to a pension; however there are limits on the amount that will attract tax relief.

If you are a UK resident, tax can be reclaimed on gross contributions of up to 100% of your earnings each year. However, if you contribute more than the annual allowance amount (£60,000 for the 2024/25 tax year) you may be subject to a tax charge equivalent to your marginal rate of tax on the excess amount. This effectively negates the tax advantages of contributing more than the annual allowance amount.

If you have adjusted income (that is your total income before the deduction of personal allowances or reliefs) of more than £260,000 per annum, your annual allowance will be reduced by £1 for every £2 of income above £260,000, with a maximum reduction of your annual allowance to £10,000.

It is possible for unused annual allowance to be carried forward for up to three years.

If you have flexibly accessed your pension (for example taken an uncrystallised funds pension lump sum or drawn an income under flexi-access drawdown) you will also be subject to the money purchase annual allowance (MPAA) rules. This means that if you contribute more than the money purchase annual allowance (£10,000 for the 2024/25 tax year) into money purchase pensions (such as your SIPP) you will be subject to a tax charge equivalent to your marginal rate of tax on the excess amount.

Even if you have no earnings, you can still claim up to £3,600 gross (£2,880 net) each year and claim basic rate tax relief.

For any personal contributions, you should pay in the net amount after basic rate tax and we will reclaim the basic rate tax. For example, if you wish to make a gross contribution of £40,000, you should actually pay in £32,000 and we will then reclaim the £8,000 basic rate tax relief from HM Revenue & Customs (HMRC) and apply it to your pension. It takes between 7 and 11 weeks for us to reclaim tax relief.

If you are liable to income tax at a rate above the basic rate, you will be able to claim the additional relief from HMRC either through your self assessment return or, if you do not complete one, by contacting HMRC.

If you are a non-UK resident, you will not normally be eligible to receive tax relief on your contributions.

Residency

If you are a Scottish resident (as determined by HMRC) your tax rate may differ.

For example, you may be liable to income tax at no more than the Scottish starter rate of 19%. For the 2024/25 tax year we will still claim tax relief of 20% where applicable. HMRC has stated that it will not recover the difference between the Scottish starter rate and the Scottish basic rate for the 2024/25 tax year.

If you are liable to income tax at a rate above the Scottish basic rate of 20%, you will be able to claim the additional relief from HMRC either through your self assessment return or, if you do not complete one, by contacting HMRC.

The Welsh government has the power to amend the rate of income tax paid by Welsh residents, and if they do, this may impact the amount of tax we can reclaim on contributions made by Welsh residents. The Welsh government has indicated that they will not amend the rate of income tax for the 2024/25 tax year.

Q How can I change regular contributions?

A All regular contributions are collected by Direct Debit.

- **Changing the amount or frequency**
You can complete the 'SIPP Contribution Amendment Form' from the Literature section of our [website](#), and return it to us and we will amend the Direct Debit collection.
- **Changing the bank account that is debited**
You will need to complete both the SIPP Contribution Amendment Form and send us a new Direct Debit mandate from the Literature section of our [website](#), and send this to us to replace your existing mandate.

The following section covers complex information. If you are in any doubt, please refer to a financial adviser.

Q Pension Input Periods (PIP)

A What is this?

A pension input period is the period over which the amount of pension saving under a pension arrangement is measured. The measurement works out how much was saved from the start of the pension input period to the end of the pension input period.

To work out if your pension saving is more than the annual allowance for a particular tax year, the pension savings for pension input periods that end in that tax year are taken into account.

When does a PIP run from and to?

Pension input periods run in line with the tax year, from 6 April to the following 5 April.

Q Can I contribute at any age?

A We only accept contributions up to the age of 75. All contributions to our SIPPs must cease once you reach age 75.

Please note that the tax treatment depends on your individual circumstances and may be subject to change in the future.

MANAGING YOUR SIPP

CONTRIBUTIONS

Contact us on:



03455 212 414



www.jameshay.co.uk

We aren't authorised to give financial advice. If you do not have a financial adviser and would like to speak to one, you can obtain a list of financial advisers local to your area by visiting [MoneyHelper](#) or by calling MoneyHelper on 0800 011 3797.

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

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