

WHAT DOES THIS MEAN FOR YOU?

We know that when it comes to your workplace pension, the tax ins and outs can seem intimidating. Simply put, receiving tax relief on your pension means that some of your income that would have gone to the government as tax, goes into your pension instead. How much you pay in is up to you, but it's important to remember that there are limits on how much you can pay in each year without being subject to additional tax charges.



DOES THE CURRENT LUMP SUM AND DEATH BENEFIT ALLOWANCE APPLY TO ME?

When you take your savings from your pension, you'll usually be entitled to a tax-free lump sum while what's left will be taxable. The amount of tax-free cash you can take is capped at 25% of the Lump Sum and Death Benefit Allowance (LSDBA). Some key points to consider are:

- it applies each time you take benefits from a pension
- the LSDBA for 2024/25 is £1,073,100
- the Lump Sum Allowance limit on tax free cash taken in your lifetime is £268,275
- the State Pension is excluded from the LSDBA.

WHERE CAN I FIND OUT MORE?



Our Pension FAQs

Better understand pension tax relief and allowances with our expert guidance.

Go online >

www.scottishwidows.co.uk/gpp/



What is Tax Relief Film

Watch our short Expert Session film to see how tax relief works.

Watch film >

<https://youtu.be/aHlpxm8lrOE>



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Pensions are a long-term investment. The retirement benefits you receive from your pension plan will depend on a number of factors including the value of your plan when you decide to take your benefits which isn't guaranteed, and can go down as well as up. The value of your plan could fall below the amount(s) paid in. The tax treatment of your plan depends on your individual circumstances. Your circumstances and tax rules may change.



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