‘**Important Information for Members of the Local Government Pension Scheme**

HM Revenue and Customs impose two controls on the amount of pension savings you can make without having to pay extra tax. These controls are known as the Annual Allowance and Lifetime Allowance. The Annual Allowance is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge. You are most likely to be affected by the Annual Allowance if you receive a significant pay increase, and/or you are a high earner. More information about the Annual Allowance can be found at the following link <https://www.lgpsmember.org/docs/LGPS%20factsheet_AA.pdf>.

The Lifetime Allowance is the total value of all pension benefits you can have without triggering an excess benefits tax charge, and is calculated by multiplying your annual pension by 20 and adding any lump sum you take from the pension scheme. If the value of your pension benefits when you draw them is more than the Lifetime Allowance, or more than any protections you may have, you will have to pay tax on the excess benefits. Since 2016/17 the Lifetime Allowance has been set at £1 million, increasing each year in line with inflation. More information about the Lifetime Allowance can be found at the following link <https://lgpsmember.org/docs/LGPS%20factsheet_LTA.pdf>.

If you are successful in your application for this post and wish to find out more about these controls, please contact the Pension Section at [pensions@durham.gov.uk](mailto:pensions@durham.gov.uk).’