

## Pension Savings Statements – Next steps

As your total pension savings for the 2020/2021 tax year in the GSK arrangements count as greater than £4,000, you will need to assess your specific Annual Allowance position and whether you are subject to an AA tax charge.

Set out below are a number of steps to assist you with your Annual Allowance 2020/2021 assessment. **Please ensure you keep this letter and a note of your calculation of your Annual Allowance for the 2020/2021 tax year, as you may need this to help you with your Annual Allowance assessment in future tax years.**

The steps assume you have no savings in schemes outside GSK arrangements that impact your Annual Allowance position. If you do have savings in other pension schemes the steps will need to be adjusted appropriately – you may need to take advice on this.

	<p><i>Note that the figure for the <b>total 2020/2021 pension savings</b> under the GSK arrangements appears in the 2020/2021 row of your enclosed Pension Savings Statement.</i></p>
<ul style="list-style-type: none"><li>• <b>Step 1</b></li></ul>	<p>You will need to calculate whether your <b>threshold income</b> for the 2020/2021 tax year (please see section 1 of the 'Further Information' document for details on the threshold income) was below or above £200,000 and then either:</p> <ul style="list-style-type: none"><li>a. If your 2020/2021 threshold income is £200,000 or less, please go to <a href="#">step 3</a>.</li><li>b. If your threshold income is greater than £200,000, please go to <a href="#">step 2</a>.</li></ul>
<ul style="list-style-type: none"><li>• <b>Step 2</b></li></ul>	<p>You will need to calculate your <b>adjusted income</b> for the 2020/2021 tax year (please see section 1 of the 'Further Information' document for details on the adjusted income) and then either:</p> <ul style="list-style-type: none"><li>a. If your 2020/2021 adjusted income is £240,000 or less, please go to <a href="#">step 3</a>.</li><li>b. If your adjusted income is greater than £240,000, please go to <a href="#">step 4</a>.</li></ul>
<ul style="list-style-type: none"><li>• <b>Step 3</b></li></ul>	<p>You are not impacted by the tapered Annual Allowance, and <b>you have a personal 2020/2021 Annual Allowance of £40,000</b>.</p> <p>If your total pension savings for all arrangements in the 2020/2021 tax year are:</p> <ul style="list-style-type: none"><li>a. <u>Less</u> than or equal to £40,000, you have not incurred an AA tax charge, as your personal 2020/2021 Annual Allowance is greater than your total 2020/2021 pension savings. <u>No further</u> action is required.</li><li>b. <u>More</u> than £40,000, please go to <a href="#">step 5</a>.</li></ul>
<ul style="list-style-type: none"><li>• <b>Step 4</b></li></ul>	<p>As your 2020/2021 adjusted income is in excess of £240,000, you now need to calculate your personal Annual Allowance for the 2020/2021 tax year, by reducing the standard Annual Allowance of £40,000 by £1, for every £2 that your 2020/2021 adjusted income has exceeded £240,000 – but with a minimum of £4,000.</p> <p>Make a note of the personal 2020/2021 Annual Allowance you have calculated, and then either:</p> <ul style="list-style-type: none"><li>a. If it is greater than your total pension savings for all arrangements in the 2020/2021 tax year, <u>no further</u> action is required.</li><li>b. If it is less than your total pension savings for all arrangements in the 2020/2021 tax year, please go to <a href="#">step 5</a>.</li></ul> <p>Please see section 1 of the 'Further Information' document for some worked examples of the tapering.</p>

