

## Lifetime allowance (LTA)

This was introduced on 6th April 2006 and placed a capital value on all pension arrangements unless the individual applied for protection.

Tax year	Standard LTA
2020-21	£1,073,100
2019-20	£1,055,000
2018-19	£1,030,000
2017/18	£1 million
2016/17	£1 million
2015/16	£1.25 million

The current LTA is no longer applicable and instead the 2020-21 LTA is the basis for the maximum pension fund which can be assessed for a tax-free lump sum, where there is no protected LTA.

When the LTA changed, there was option to apply for protection depending on the value of the benefits and individual circumstances but the options were;

- Enhanced protection Available from 6<sup>th</sup> April 2006 until 31<sup>st</sup> March 2009  
It protected the entire value without restriction though the tax-free element could be restricted depending on individual circumstances.
- Primary protection Available from 6<sup>th</sup> April 2006 until 31<sup>st</sup> March 2009  
It provided protection on the capital value of benefits on the 5<sup>th</sup> April 2006. This was expressed as a percentage of the benefits relative to the LTA. The LTA applying to this protection is £1.8 million.
- Fixed Protection 2012 This protected the value up to £1.8 million but required you to leave active membership to ensure it was retained.
- Fixed Protection 2014 This protected the value up to £1.5 million but required you to leave active membership to ensure it was retained.
- Individual Protection 2014 This protected the actual capital value of benefits as of 5<sup>th</sup> April 2014. The value had to be more than £1.25 million but less than £1,500,000. You could continue as active member and fund a pension scheme.

Fixed Protection 2016 and Individual Protection 2016 are available for those wishing to apply who are eligible to do so. To benefit from the protection, it needs to be in place before any benefits are accessed and **now before the deadline of 5<sup>th</sup> April 2025.**