



## Your pension contributions for the 2021/22 tax year

We want to let you know that there will be 13 pension contributions into your LifeSight Account in the 2021/22 tax year. This should not be significant for most people. However, if you expect this to cause any problems for you, for example, because you have fully used your pension Annual Allowance, please contact the AXA pensions team at [pensions.uk@axa.co.uk](mailto:pensions.uk@axa.co.uk).

### The detail

As you know, AXA has provided its pension arrangements through LifeSight since October 2020. Previously, monthly pension contributions had been collected through payroll for the month and paid over to Aegon (our previous pension provider) early in the following month. Aegon attributed contributions to the tax year based upon the date of investment, not the date of deduction from salary. This meant that the pension contribution in respect of March pay each year was typically paid into the pension after 5 April and counted towards your pension Annual Allowance for the following tax year. For example, the pension contribution for March 2020 was paid into the AXA Group Pension Scheme in April 2020 and counted towards your Annual Allowance for pension savings for the 2020/21 tax year.

LifeSight attributes contributions to the tax year based on the date of deduction from salary. Therefore, the March 2021 pension contribution would ordinarily have been assessed against your Annual Allowance for the 2020/21 tax year. However, to ensure consistency with previous years, the March 2021 pension contributions to LifeSight were delayed until after 5 April 2021 so that only 12 contributions were paid in the 2020/21 tax year. The March 2021 contribution and any bonus sacrifice contribution you elected to pay from your 2020 bonus (payable in March 2021) will therefore be included in your Annual Allowance for the 2021/22 tax year.

### What does this mean for the 2021/22 tax year?

From March 2022, LifeSight will pay the March contribution into your LifeSight Account prior to 5 April each year. This will ensure your March 2022 pension contribution plus any bonus sacrifice amount from your 2021 bonus will be included in your pension contributions for the 2021/22 tax year and assessed against your Annual Allowance for the same year. For the 2021/22 tax year only, this will result in 13 monthly contributions being paid in one tax year.

For most people the Annual Allowance is £40,000 and pension contributions will be well within this allowance. However, if you have a Tapered Annual Allowance due to the level of your earnings or you have been paying large pension contributions and you are concerned about this, please review the enclosed guide and contact the AXA pensions team at [pensions.uk@axa.co.uk](mailto:pensions.uk@axa.co.uk) if you need to discuss your options.