



### Appropriate Personal Pensions - Summary of main rules

These are pensions savings built up from national insurance rebates – they are sometimes referred to as Protected Rights

	<b>Old rules</b> (up to 5 April 2006)	<b>Current rules</b> (from 6 April 2006)
<i>Maximum Contributions and tax relief</i>	Age related rebates received from the National Insurance Contribution's Office and attendant tax relief.	No change.
<i>Maximum Benefits</i>	No limits	A lifetime limit set to £1.8m (2010/11 – 2015/16). Benefits above this limit may be subject to a tax charge. This limit applies in total to your policy and any other pensions you may have.
<i>Permitted Normal Retirement Ages</i>	Minimum: 60 Maximum: 75	Minimum: 50 (55 from 6 April 2010) Maximum: 75
<i>Maximum Tax Free Cash</i>	Not permitted. However, for policies (that include ordinary rights) established before 27 July 1989, 25% of the fund value may be taken.	25% of the fund value subject to a maximum of £450,000 for 2010/11 – 2015/16. This limit applies in total to your policy and any other pensions you may have.
<i>Maximum amount to be commuted as a lump sum under triviality rules</i>	The fund value of your policy and any other appropriate personal pensions you may have cannot be used to buy a pension of more than £260 p.a. Available between age 60 and 75.	The fund value of your policy and any other pensions you may have must not exceed £18,000 (2010/11 – 2015/16). Available between age 60 and 75.
<i>Death Before Retirement Benefits</i>	Return of the fund or a dependant's annuity bought by the fund.	Return of the fund payable up to £1.8m (2010/11 – 2015/16) on death before age 75 and/or a dependant's annuity bought by the fund.
<i>Death After Retirement Benefits</i>	The balance of any guarantee period and/or a dependant's annuity bought by the fund.	The balance of any guarantee period (paid as a pension). <b>OR</b> A lump sum payable provided death occurs before age 75. This will equal the amount used to buy the pension minus any gross income payments. This value is then subject to a 35% tax charge. A dependant's annuity may also be payable.