



Personal Pensions – Summary of main rules These are pensions savings built up from personal contributions – they are sometimes referred to as Ordinary Rights		
	Old rules (up to 5 April 2006)	Current rules (from 6 April 2006)
<i>Maximum Contributions and tax relief</i>	Age dependent contributions between 17.5% and 40% of net relevant earnings, subject to the earnings cap (£105,600 for tax year 2005/06). Personal contributions receive tax relief at basic rate.	Unlimited contributions are payable but those above £255,000 (2010/11 – 2015/16) will receive a tax charge of 40%. This limit applies in total to your policy and any other pensions you may have. Tax relief received at the basic rate up to the higher of £3,600 gross and 100% of earnings.
<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: 50 Maximum: 75	Minimum: 50 (55 from 6 April 2010) Maximum: 75
<i>Maximum Tax Free Cash</i>	25% of the fund value	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 personal pensions you may have must not exceed £2,500. Available between age 50 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). OR 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.