

Lifetime Allowance

There are limits on the amount of tax-free retirement savings that you can benefit from over your lifetime. This is called the Lifetime Allowance (LTA).

Important information

On 2 June 2021, the Plan administrator will change. This will affect some of the information included in this document and an updated version will be made available in June. Please read the information on the [Plan information website](#) to ensure you understand how you may be affected by temporary interruption to Plan services as we prepare for the transition to the new Plan administrator.

What you need to know

- Since 6 April 2020, the LTA has been set at £1,073,100 and is expected to remain fixed at this level until April 2026.
- There is a tax charge for exceeding the LTA:
 - 55% if you take the excess as a cash lump sum.
 - 25% if you take the excess as pension (e.g. buying an annuity or taking income/flexible drawdown). In addition, pension payments are taxed as income.
- Your death-in-service benefits count towards your LTA.

Are you impacted by the LTA?

Your retirement savings will be tested against the LTA when you start to access your savings. So, you need to consider how the value of your savings may change between now and then, including future contributions and investment returns.

Your death-in-service benefits count towards your LTA:

- If you die in service, your life assurance is likely to use up a significant proportion of your LTA and your beneficiaries may have to pay tax on retirement savings above the LTA.
 - To reduce the effect of life assurance on your LTA, you can opt in to the bank's Excepted Group Life Policy where life assurance benefits do not count towards your LTA.
 - Find out more about the policy on the MyBenefitChoices website via HR Connect > Benefits > Quick Links > Manage your benefits.

Important to know

If you have any defined benefit (DB) entitlements, these may also increase in line with the relevant rules.



Take action today

Step 1

Check the value of your retirement savings with the bank

- **For your defined contribution savings:** log on to the pensions administration website via HR Connect > Benefits > Quick Links > Manage your savings to see the value of your savings with the bank.
- **For your final salary benefits (if relevant):** the value of your benefits in the Bank of Bank of America UK Retirement Plan, the Bank of America UK Pension Plan, or the NationsBank Pension and Life Assurance Plan when you choose to take them is broadly the starting level of your annual pension multiplied by 20, plus any tax-free lump sum and Additional Voluntary Contributions (AVCs).
- If you're a member of more than one of the bank's retirement arrangements, remember to take them all into account.

Step 2

View the value of any savings outside of the bank

- Review any recent benefit statements you have received or contact the relevant administrators for your other retirement arrangements.
- **Please note:** State pensions do not count towards the LTA.

Step 3

Compare the total value of your savings

See if the total value of your savings is currently £1,073,100 or could be by the time you access them:

- **Yes** – you might want to get independent professional advice to see what you can do to reduce your tax liability. For example, you could consider how much you contribute to the Plan in future – review your contribution options on the MyBenefitChoices website via HR Connect > Benefits > Quick Links > Manage your benefits.
- **No** – you do not need to take action now. However, make sure you review your savings regularly (at least once a year or more often if you are approaching retirement) to help with your future planning.
- **Not Sure** – you should regularly review the value of your savings (at least once a year or more often if you are approaching retirement) to help with your future planning. You also might want to get independent professional advice to see what you can do to reduce your potential tax liability.

Find out more



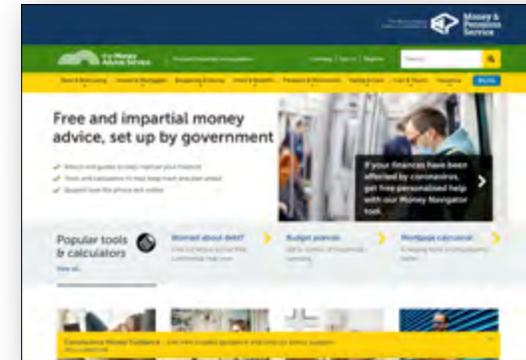
MyBenefitChoices

- Update how much you are contributing towards your savings at any time on the [MyBenefitChoices](#) website via HR Connect > Benefits > Quick Links > Manage your benefits.



BoA Plan website

- For tools and resources to help with your retirement planning, go to www.pensionupdate-bofa.com
- Visit the Library & tools section to access information about retirement and tax.



Financial or tax advice about your savings

- Visit the [Money Advice Service website](#) for useful information and tips on how to get free financial guidance.
- View the [Government website](#) for more general information about tax on retirement savings.
- For independent professional advice, go to www.unbiased.co.uk to find an adviser near you. Please bear in mind that you may have to pay for any advice you receive.

Plan Administrators

For more information about the benefits you have built up in the bank's retirement arrangement, contact the Plan Administrators by going to www.pensionupdate-bofa.com > Contact us.

Remember

We want to help you understand your earnings and retirement savings with the bank, but please note that your personal tax situation is your responsibility to understand and manage.

The bank does not provide tax, accounting, legal, or financial advice.

We strongly recommend that you get independent professional advice on your specific circumstances in respect of any personal tax and/or financial matters.