

Annual Allowance – Pension Input Amount



Pension Input Amount

The growth in pension savings is known as the Pension Input Amount (PIA).

Opening Balance

Total Pension value at 5 April 2019 x 16

+

Lump Sum value at 5 April 2019

x

Consumer Price Index Factor
(Inflationary increase for 2019, 1.024)

Closing Balance

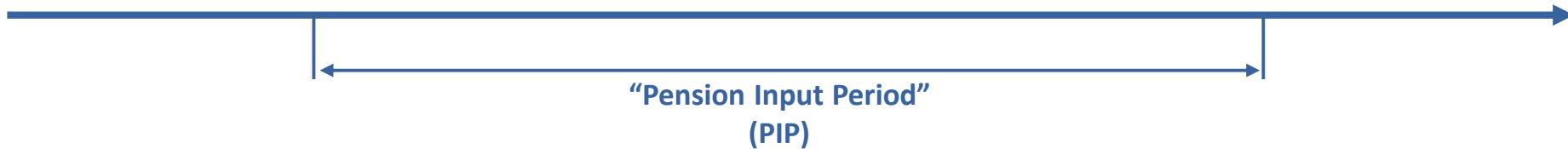
Total Pension value at 5 April 2020 x 16

+

Lump Sum value at 5 April 2020

+

AVC Contributions made during
6 April 2019 - 5 April 2020



$$\text{Closing Balance} - \text{Opening Balance} = \text{PIA}$$

Example – PIA Calculation

A member of the LGPS with Essex Pension Fund has 20 years membership in respect of service prior to 01/04/2014. Their final pensionable pay for 2018/19 was £60,000 and for 2019/20 it was £66,000. Their CARE Pay for 2019/20 was also £66,000 and during the year made additional voluntary contributions (AVC's) of £3,600. CPI for 2019 was 2.4%.

OPENING BALANCE 2019/20		£
Pre 2008 Pension	14/80 x £60,000	10,500
Post 2008 Pension	6/60 x £60,000	6,000
CARE Pension		6,400
Total Pension		22,900
Multiply pension by factor of 16		366,400
Add Lump Sum	14 x 3/80 x £60,000	31,500
Sub-total		397,900
Increase by CPI factor of 1.024		
OPENING VALUE		407,449

CLOSING BALANCE 2019/20		£
Pre 2008 Pension	14/80 x £66,000	11,550
Post 2008 Pension	6/60 x £66,000	6,600
CARE Pension		7,878
Total Pension		26,028
Multiply pension by factor of 16		416,448
Add Lump Sum	14 x 3/80 x £66,000	34,650
Sub-total		451,098
Add AVC contributions made in the year		3,600
CLOSING VALUE		454,698

The PIA for 2019/20 is £454,698 - £407,449 = £47,249

The member exceeds the £40,000 Annual Allowance limit for 2019/20 and will be sent a Pension Savings Statement from Essex Pension Fund.