or you, for now, for the future **Ig** Essex Pension Fund

## Annual Allowance – Pension Input Amount

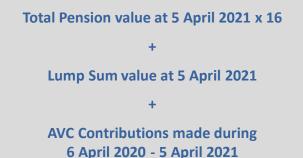


## **Pension Input Amount**

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



## **Closing Balance**



"Pension Input Period" (PIP)

**Closing Balance – Opening Balance = 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 2019/20 was £60,000 and for 2020/21 it was £66,000. Their CARE Pay for 2020/21 was also £66,000 and during the year made additional voluntary contributions (AVC's) of £3,600. CPI for 2020 was 1.7%.

| OPENING BALANCE 2020/21                               |                                   | £                                      | CLOSING BALANCE 2020/21                               |                                   | £                        |
|---|-----------------------------------|--|---|-----------------------------------|--------------------------|
| Pre 2008 Pension<br>Post 2008 Pension<br>CARE Pension | 14/80 x £60,000<br>6/60 x £60,000 | 10,500<br>6,000<br>7,000               | Pre 2008 Pension<br>Post 2008 Pension<br>CARE Pension | 14/80 x £66,000<br>6/60 x £66,000 | 11,550<br>6,600<br>8,389 |
| Total Pension   |                                   | 23,500                                 | Total Pension   |                                   | 26,539                   |
| Multiply pension by factor of 16                      |                                   | 376,000                                | Multiply pension by factor of 16                      |                                   | 424,624                  |
| Add Lump Sum  | 14 x 3/80 x £60,000               | 31,500                                 | Add Lump Sum  | 14 x 3/80 x £66,000               | 34,650                   |
| Sub-total   |                                   | 407,500                                | Sub-total   |                                   | 459,274                  |
| Increase by CPI factor of 1.017                       |                                   | Add AVC contributions made in the year |   | 3,600                             |                          |
| OPENING VALUE   |                                   | 414,427.50                             | CLOSING VALUE   |                                   | 462,874.00               |

The PIA for 2020/21 is £462,874 - £414,427.50 = £48,446.50

The member exceeds the £40,000 Annual Allowance limit for 2020/21 and will be sent a Pension Savings Statement from Essex Pension Fund.