

Pension Savings Statement

Tax Year 2020/21



M&G Group Pension Scheme

Private and Confidential

<<Title>> <<Initials>> <<Surname>>
<<Address 1>>
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<<Address 3>>
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<<Post Code>> <<Num>>

If you have any questions, feel free to contact us:

01245 968171
MandGGPS@xpsgroup.com

<<Date>> Ref: <<MemberID>>

Dear <Title> <Surname>

The value of the pension benefits that you built up in the **M&G Group Pension Scheme (the Scheme)** in the 2020/21 tax year is more than the standard Annual Allowance of £40,000. This means that you may need to pay extra tax to HMRC because you have gone over the standard limit for tax relief on pension savings.

Your Annual Allowance may be less than £40,000, we can't calculate it for you or tell you whether you need to pay more tax (the reasons for this are explained in the Scheme Pays *Guide* available via www.mypension.com/mandg on the Documents page). **We cannot give you any advice; this is a personal tax issue, and we suggest that you take independent tax advice.**

Keep the Pension Savings Statement that we give you on the next page, your chosen adviser will need it when reviewing your position. If you do nothing, you may have a significant tax bill that must be paid by 31 January 2022.

Our Scheme Pays facilities

It is possible to pay any extra tax charge yourself through your Self Assessment tax return. Alternatively, we offer a facility called 'Scheme Pays'. This is where the Scheme settles your extra tax for you in return for a lower Scheme pension. We have to offer you this service if you meet certain conditions and the relevant part of your tax charge is more than £2,000 (this is 'Mandatory Scheme Pays').

If you don't meet these conditions, you can still use Scheme Pays, but the timescales are much tighter (this is 'Voluntary Scheme Pays') as the Scheme must make the payment before your Self Assessment deadline. There is more detailed information in the accompanying *Guide*.

Scheme Pays illustration

If you want to use Scheme Pays you'll need to tell us how much extra tax you think you'll have to pay and we will provide an illustration to show how much your pension may be reduced. To do this, you need to complete the enclosed *Illustration Request Form* and return it by 6 October 2021 (for Voluntary Scheme Pays) or 3 July 2022 (for Mandatory Scheme Pays).

Yours sincerely

<<Administrator name>> <<Position>> For XPS Administration
On behalf of the Trustee of the M&G Group Pension Scheme

Pension Savings Statement

Tax Year 2020/21

This Statement gives you information about the pension rights that you built up in the **M&G Group Pension Scheme (the Scheme)** in the 2020/21 tax year and will help you and your tax adviser work out whether you owe extra tax. Remember that you will need to consider all the pension schemes you belong to.

You should read the online *Guide* available on the Documents page at www.mypension.com/mandg for more information about the process.

The following pension savings have been valued in line with HMRC rules. You should note that the standard Annual Allowance doesn't apply to everyone and your Annual Allowance may well be lower than the standard amount (there is more information in the online *Guide*):

Tax Year	Your Pension Input Amount	Standard Annual Allowance
2020/21	£<< >>	£40,000
2019/20	£<< >>	£40,000
2018/19	£<< >>	£40,000
2017/18	£<< >>	£40,000

Measuring your Pension Input Amount

As the Scheme is a defined benefit pension scheme, your pension savings or 'Pension Input Amount' is measured by looking at how much your benefits have increased over the tax year. There is more information about the calculation in the online *Guide*.

If you have paid Additional Voluntary Contributions (AVCs), it is the contributions paid that are measured against your Annual Allowance. The total contributions are included in your Pension Input Amount shown but may be different from the amounts shown on your annual statement due to differences in measurement dates.

Carrying forwards unused Annual Allowance

If your Pension Input Amount in the tax year is less than your Annual Allowance, you might be able to carry forward the difference to the next tax year. You can build up unused allowance from the three previous tax years.

Deadline dates

You can find details of the timelines for your Scheme Pays application on page 5 of the *Guide*.

If you need more information, please contact us using the details at the top and bottom of this letter. Email or telephone is preferred at this time.