



Individual Protection 2016

Over the past few years we have seen adjustments to the Lifetime Allowance for pension savings, and a number of protections have been made available to protect your benefits. Individual Protection 2016, which also goes by the acronym of IP16, is one form of protection currently available.

What is IP16?

From 6 April 2016 the Lifetime Allowance for pension savings reduced from £1.25m to £1m, and currently the standard Lifetime Allowance is £1,055,000. IP16 is available to anyone whose total pension savings at 5 April 2016 were above £1m and will give you a protected Lifetime Allowance equal to the value of your savings at that date, subject to a maximum of £1.25m. This means that for anyone with pension savings above £1,055,000, up to an additional £195,000 may be protected from tax charges with IP16 with a current potential tax saving of £48,750.

How do I apply for IP16?

IP16 is available to apply for online. Full guidance notes can be found through HMRC's website at: -

<https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-advance#individual-protection-2016>

For those who have Primary Protection or IP2014 in place, IP16 will not be available; however, you are able to apply for IP16 if you hold Enhanced Protection, Fixed Protection 2012, Fixed Protection 2014 or Fixed Protection 2016. Indeed, IP16 may provide fall-back protection should any of these existing protections fail for whatever reason. It may therefore act as a valuable safeguard. If you have no protection in place and are eligible to apply for IP16 this must be done prior to applying for drawing your benefits.

Can I make further pension savings with IP16?


Yes. Unlike some other forms of pension protection, IP16 will not be lost if you continue to save into your pension scheme. Bear in mind, however, that any pension savings made above the protected Lifetime Allowance may be subject to the Lifetime Allowance charge.

Continued overleaf

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If you would like to discuss this in further detail, please get in touch with our friendly advisor below.

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What action do I need to take?

In order to apply for IP16, you will need valuations of your NHS pension and personal pensions as at 5 April 2016. These can be requested from your pension scheme. Please note that, for GPs, the Pensions Agency will not be able to provide you with a valuation until they have processed your 2016/2017 superannuation certificate. Alternatively, we can provide the figure for a fee which will be agreed with you according to the amount of work involved to obtain and check the available pension records.

How can we help?

Should you feel you may benefit from IP16, MHA Moore and Smalley can help with the process.



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