

## Addendum: Guide for members – Final Salary Section and CARE Section

Note: All addendums below apply to both the Final Salary and CARE Section booklets apart from the “How much do I pay” section of this document which includes separate notes for the Final Salary and CARE sections.

### **Page 2 - Pensions Team Postal Address**

Pensions Team  
Human Resources Department  
University of Liverpool  
502 Teaching Hub  
150 Mount Pleasant  
Liverpool  
L69 3GD

### **Page 5 - How much do I pay?**

Final Salary Guide for members: The amount you pay as an Active Member is 6.5% of your Earnings. The true cost to you may be less than this amount because pension contributions receive tax relief.

CARE Guide for members: The amount you pay as an Active Member is 6.5% of your Earnings. The true cost to you may be less than this amount because pension contributions receive tax relief.

### **Page 5 - How much does the University contribute?**

The University is responsible for paying the balance of the cost of providing the benefits of ULPF. Every three years the Scheme Actuary carries out an actuarial valuation to determine the level of funding required to provide for your benefits in the future. From 01 April 2025 employer contributions have been suspended for a period of three years.

### **Page 11 – Limits to your pension savings**

HMRC set a series of limits and allowances on pension savings. These limit the amount you can save into pensions arrangements and still receive tax savings. If you exceed any allowances, you may be subject to a tax charge.

The main allowances are, the Lump Sum Allowance, the Lump Sum and Death Benefit Allowance and the Annual Allowance.

#### **What is the Lump sum Allowance (LSA)?**

This is the limit on the total amount of tax-free cash lump sums that you can receive from all your pension arrangements before a tax charge is applied. The limit is £268,275 as at April 2025.

Each time you take a tax-free cash lump sum from a pension arrangement you will use up some of your LSA.

#### **What is the Lump sum and Death Benefit Allowance (LSDBA)?**

This is the limit on the total amount of tax-free cash lump sums that can be paid in respect of a member before and after death before a tax charge is applied. This includes any tax-free cash

lump sums used up under the LSA or any cash lump sum paid to you if your life expectancy is deemed to be very short. The limit is £1,073,100 as at April 2025.

### **What is the Annual Allowance?**

This is the limit on how much you can save into all pension arrangements in any one tax year before a tax charge is applied. The standard Annual Allowance is £60,000 per year as at April 2025. Very high earners, or those who have taken any pension benefits flexibly, may be subject to a different Annual Allowance:

#### **Money Purchase Annual Allowance**

A reduced Annual Allowance of £10,000. This only applies if a member has taken retirement savings from a defined contribution/money purchase pension arrangement.

#### **Tapered Annual Allowance**

A reduced Annual Allowance between £60,000 and £10,000. This only affects people with incomes of £200,000 or over.

### **What happens if I exceed any of the allowances?**

It is unlikely that any members of ULPF will be affected by the Lump Sum Allowance, the Lump Sum and Death Benefit Allowance, the standard Annual Allowance, or the Tapered Annual Allowance however you should be aware of them just in case.

If you have pension savings that you have taken flexibly (such as taking all your savings as a one-off lump sum) you may be affected by the Money Purchase Annual Allowance.

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### **The Money and Pensions Service**

The Money and Pensions Service (MaPS) has replaced the Pensions Advisory Service. MaPS provides free and impartial debt advice, money guidance and pension guidance to members of the public.

[www.maps.org.uk](http://www.maps.org.uk)

### **Pension Protection Fund Contact details**

Pension Protection Fund  
PO Box 254  
Wyndham  
NR18 8DN

0330 123 2222  
[www.ppf.co.uk](http://www.ppf.co.uk)

April 2025