

PREMIER PENSIONS MANAGEMENT

LEGISLATION UPATE : 12/06

1. Transfer Values

The Government has announced that for the future, principles underlying the calculation of transfer values will be set out in legislation. Draft Regulations will be issued shortly.

The Government seems to have taken little notice of the feedback they received last year and, it appears likely that transfer values will **only** be based on bond returns, therefore increasing them substantially.

Until further information is available no action is required.

2. Refund of Contributions

Details of the new tax of refunds has now been disclosed. Please note the following:

- 20% on the first £10,800
- 40% on excess
- 20% on investment growth.

High rate tax payers will be liable for an additional 18% tax charge on investment growth. This is payable via the individuals self assessment tax return.

April 2006