

Launching Fidelity's New Annual Allowance (AA) Tool



Fidelity has developed and built a new AA tool for your employees to help them calculate if they have any unused annual allowance or exceeded their annual allowance. You can find out more information on the tool below including links to all the employee assets to promote internally.

What is the AA tool and its purpose?

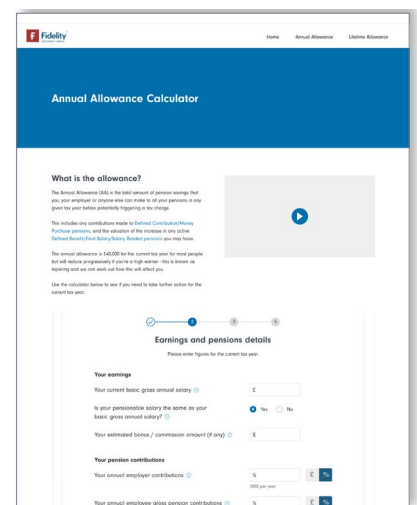
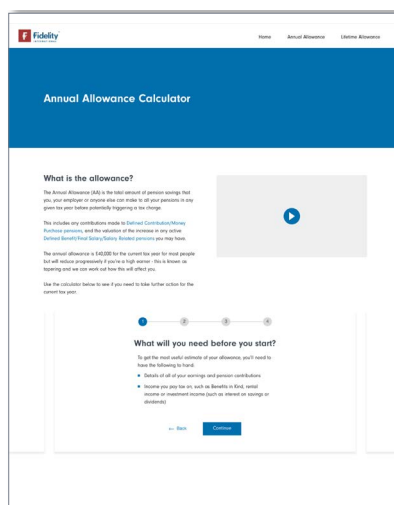
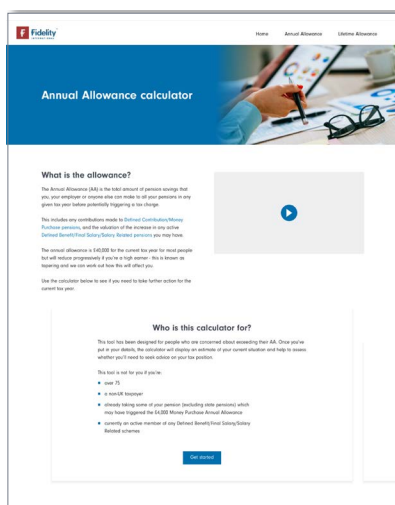
It's a calculation tool that has been designed to calculate if an employee has any unused annual allowance or exceeded their annual allowance and if so, they should seek independent advice. The AA tool uses assumptions and is a guide and not intended to be a personal recommendation for any course of action.

The annual allowance for the current tax year is generally £40,000 (high earners may have their allowance tapered down), after which employees who pay into a pension either through their workplace or a SIPP, will be liable for income tax.

When will the AA tool be available?

The tool is available now.

What does the AA tool look like?



Where can employees access the tool?

The tool is available on the link below:

[Fidelity member page](#)

Who is the AA tool for?

The tool is for anyone who is part of a workplace investing scheme. They are most likely to be employees of companies who have their workplace pension set up with Fidelity.

Who does the AA tool not cater for?

The tool is not designed for use by employees who are:

- over 75
- non-UK taxpayers
- already started taking benefits or
- members of an active Defined Benefit scheme.

What are the benefits of the AA tool?

The tool will indicate if an employee is eligible to contribute more towards their pension or is in breach the annual allowance (this is based on the user's input), and if so to seek independent advice on how to proceed.

What are the AA tool outputs?

The tool gives a binary output, for example: YES, they're in potential breach of the limit, or NO, they're within the limits.

If the outcome is YES, we will provide suggestions like:

- pay the excess charge and seek advice on how best to do this or
- make the most of any unused allowance from the previous three years or
- consider reducing your contributions or
- check in with your employer to see if there are any other options.

What does the AA tool not do?

The tool doesn't allow employees to input any previous years of unused annual allowance to carry forward.

What's to come?

Over the coming weeks we will also be launching a new Lifetime Allowance tool that will help your employees calculate their lifetime allowance. More to come on this so watch this space.

Annual allowance communication assets

The annual allowance explained

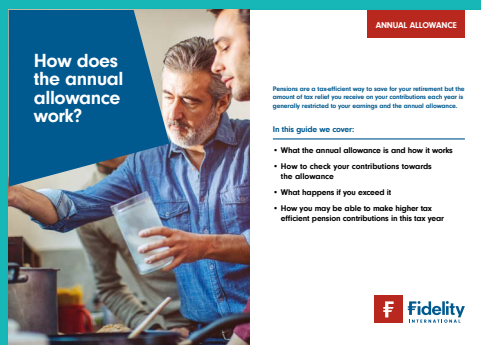
This video explains how the annual allowance limits the amount of tax relief you get on pension contributions from both you and your employer.



[Click here to view the video](#) 

Download our annual allowance guide

Read our annual allowance factsheet to find out more about the limit on the amount of your pension contributions that can attract tax relief.



[Download the guide](#) 