

# Lifetime Allowance (LTA) & Lump Sum and Death Benefit Allowance (LSDBA)

## Technical Bulletin

**The LTA charge was removed from 6th April 2023, and lump sum death benefits in excess of the LTA were charged at the recipient's own marginal rate of income tax.**

**From 6th April 2024, the LTA is abolished and the LSDBA is introduced. Lump sum death benefits in excess of the LSDBA will be charged at the recipient's own marginal rate of income tax.**

The aim of LTA protection is to allow individuals with pensions worth more than the LTA to maintain their value without being subject to new taxation when the LTA was reduced.

The table below shows how the LTA has changed since its introduction in 2006, and explains the various types of LTA protection which have been available. The LTA has now been replaced by the LSDBA. There are transitional provisions in the Finance Act 2024 for those with LTA protections and so may have an enhanced personal LSDBA.

Year	LTA / LSDBA	Available protection	What it does
2024-2025	£1,073,100	N/A	
2023-2024	£1,073,100	N/A as LTA charge removed	
2020 onwards	£1,073,100	N/A as LTA now frozen	
2019-2020	£1.055m	N/A as LTA now indexed	
2018-2019	£1.030m	N/A as LTA now indexed	
2016-2018	£1m	Individual Protection 2016 (IP2016)	Protects the individual's LTA to the lower of: <ul style="list-style-type: none"> <li>The value of their pension(s) at 5 April 2016</li> <li>£1.25m</li> </ul>
		Fixed Protection 2016 (FP2016)	Fixes the individual's LTA between £1m and £1.25m
2014-2016	£1.25m	Individual Protection 2014 (IP2014)	Protects the individual's LTA to the lower of: <ul style="list-style-type: none"> <li>The value of their pension(s) at 5 April 2014</li> <li>£1.5m</li> </ul>
		Fixed Protection 2014 (FP2014)	Fixes the individual's LTA between £1.25m and £1.5m

Year	LTA	Available protection	What it does
2012-2014	£1.5m	Fixed Protection 2012 (FP2012)	Fixes the individual's LTA between £1.5m and £1.8m
2010-2012	£1.8m		
2009-2010	£1.75m		
2008-2009	£1.65m		
2007-2008	£1.6m		
2006-2007	£1.5m	Primary Protection (PP)	Enhances the individual's LTA to (1+LTA factor) x £1.8m LTA factor is based on the value of the individual's pension(s) at 5 April 2006 over £1.5m
		Enhanced Protection (EP)	Removes the individual's LTA charge

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