

# Pensions and retirement planning

## R04 2018-19 edition

### Web update 1: 20 September 2018

Please note the following update to your copy of the **R04** study text:

#### Chapter 2, question answers, answer 2.8, page 2/46

Please amend the answer (change in **bold**) to read as follows:

The correct answer is d.

The default chargeable amount is £1,000 (i.e. £12,000 + £29,000 = £41,000 input, so £1,000 excess over the £40,000 annual allowance).

The alternative chargeable amount is £8,000 (i.e. £0 excess in respect of the defined benefit scheme as input is less than **£36,000** plus £8,000 in respect of the money purchase scheme as the input of £12,000 is £8,000 above the MPAA of £4,000).

It is the higher of the two figures that will apply and so the annual allowance tax charge will be calculated on the £8,000 alternative chargeable amount.