

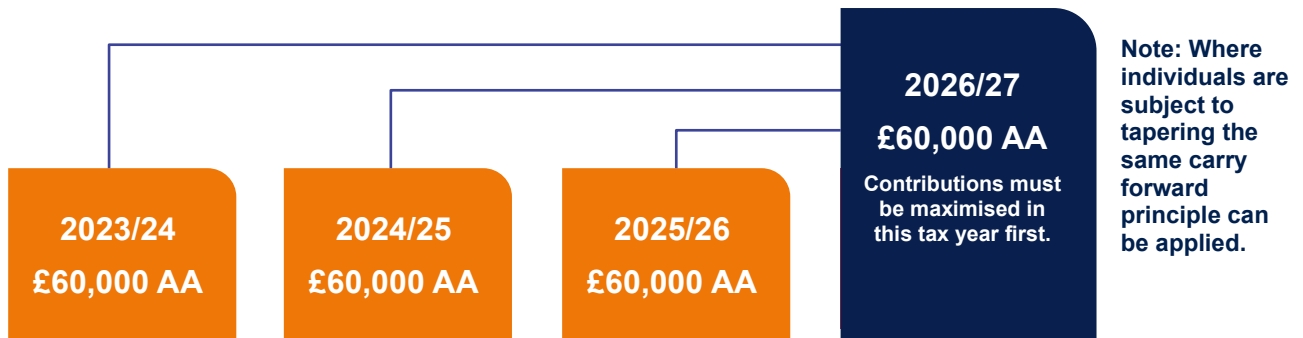


Keeping it Brief

Carry Forward

This explains how to maximise your annual allowance (AA) or tapered annual allowance (TAA) if you have not done so in previous tax years. It should be read in conjunction with our **'Keeping it brief... Annual allowance'** and **'Keeping it brief... Tapered annual allowance'**.

Carry forward allows unused AA from the three previous tax years to be used in the current tax year. This may enable pension contributions over and above the AA or TAA to be paid without incurring a tax charge.



There are important points note when using carry forward:

- The AA in the current tax year must be used up first before carrying forward unused allowances from previous years, starting with the earliest year first.
- The unused AA is based on the AA/TAA which applied in that year.
- You need to have been in a pension scheme in an earlier year to be able to use your allowance for that year, although you do not need to have made any contributions in that year.
- Carry forward contributions can be paid into any registered pension scheme and do not have to be paid into the scheme that you were a member of in the previous tax years.
- Tax relief on contributions is given in the year of payment which means any personal employee contribution cannot exceed the member's earnings in that tax year. Employer contributions are not limited by earnings.
- Carry forward cannot be used where an individual is subject to the money purchase annual allowance, and they want to pay more than £10,000 into their money purchase (also known as defined contribution) pension scheme. Please see our separate **'Keeping it brief... Money Purchase Annual Allowance'** for further details.

Further information on carry forward can be found at: www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions/carry-forward.

If you think that you may be affected, you should consider taking financial advice. You should be aware that an adviser will normally charge for using their services. If this is something you would like to discuss, please contact SecondSight at enquiries@second-sight.com.

Please note:

This briefing note gives an overview only. It does not provide specific advice. It is based on our understanding of tax regulations for the 2026/27 tax year.

A pension is a long-term investment. The fund value may fluctuate and can go down, which would have an impact on the level of pension benefits available. Pension savings are at risk of being eroded by inflation.

The tax treatment of pensions in general will be based on individual circumstances, tax legislation and regulation, which are subject to change in the future.

When investing your capital is at risk.

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