



Nest webinar

Running Nest accounts in 2024

Agenda

- 1 Multi-factor authentication (MFA) & bulk assign
- 2 Regulations update
- 3 Salary sacrifice
- 4 Moving members between Nest groups – a live demonstration



Regulations update for 2024

Extension of auto-enrolment (AE)

Update

- › In September 2023, the Pensions (Extension of Automatic Enrolment) Act 2023 received Royal Assent. This gives the Secretary of State the power to extend auto-enrolment to jobholders under the age of 22 (likely to 18) and lower the qualifying earnings threshold (likely to £0).
- › The provisions in the Act will not result in any immediate change but will give the Secretary of State powers to amend the age limit and lower earnings limit for AE and only after statutory consultation.
- › The expected timetable for the changes is not yet clear. Consultation on the implementation approach and timetable expected as a first step.
- › Next steps are to be confirmed but we do not expect any change prior to the General election.



HMRC – Digitisation of Pension Tax Relief at Source (RAS)

Update

HMRC were aiming to have a fully digital service for schemes claiming RAS tax relief from April 2025.

Implementation has now been delayed until at least April 2027.

HMRC are reconsidering their delivery plans in line with the delayed deadline.

Business as usual for now.

What can you do in the meantime? Ensure that member details match those successfully reported through RTI to HMRC.

Nest will continue to review member data.

Removal of the Lifetime Allowance (LTA)

- › As announced in the 2023 Spring Budget the LTA is to be abolished.
- › The LTA tax charge of 55% was removed from April 2023 with the Chancellor confirming in November that the LTA to be abolished altogether from April 2024.
- › Instead, two new allowances will be introduced from April:
 - **Lump Sum Allowance** – This is the maximum, total tax-free cash amount that an individual can take across all pension schemes and is set at £268,275 (the current level) and is to be frozen thereafter.
 - **Lump Sum and Death Benefit Allowance** – Of £1,073,100 (the same as the current LTA) and frozen thereafter, will be the total, maximum that can be taken tax-free across all pension schemes by an individual in the event of death or serious ill-health. Previous tax-free lump sums taken will reduce the available allowance.
- › Any amounts above these allowances will be taxed at the individual's or beneficiary's marginal rate.
- › Members with certain historic individual HMRC protections, such as enhanced or fixed protection, will retain their entitlement to a higher tax-free amount.
- › Transitional provisions included to manage those who have already taken some of their benefits prior to April 2024.
- › It is not expected that anyone will be better or worse off because of these changes.

Annual Allowance (AA) and Money Purchase Annual Allowance (MPAA)

- › The AA and MPAA were increased from April 2023. These are total, maximum tax-relievable amounts that can be paid into pension schemes (excludes transfers) by or on behalf of an individual in a tax-year.
- › AA increased from £40,000 to £60,000.
- › MPAA increased from £4,000 to £10,000.
- › The MPAA applies if an individual has previously taken lump-sum benefits from a pension, in-effect limiting the amount of tax-relief available on a pension contribution to a defined contribution scheme from that point forward.
- › The ability to carry-forward unused AA from three previous tax-years remain (conditions apply).

For more information:

[Tax and pensions | Help with tax and your pension | MoneyHelper](#)

Salary sacrifice and relief at source

Salary sacrifice

- › Increasing usage.
- › Savings in National Insurance.
- › Cost of additional tasks?
- › **On Nest** – contributions should be recorded as ‘employer’ – two Nest groups needed.

See Nest instructions: [Salary sacrifice | Nest pensions](#)

See HMRC notes: [Salary sacrifice for employers - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Relief at source

- › Tax relief for employee contributions (not salary sacrifice).
- › Employer deducts contribution net of basic rate tax e.g. for a contribution of £10 deduct £8 from employee's net pay.
- › Nest claims basic rate tax from HMRC and adds to member's account.
- › Higher rate taxpayers – employee contacts HMRC who give the higher rate tax relief by adjusting tax code.

See: [How is tax relief calculated | Nest pensions](#) and [Tax on your private pension contributions: Tax relief - GOV.UK \(www.gov.uk\)](#)

Upcoming events

Book an appointment to talk to us directly

To book a one-to-one 30-minute appointment with our in-house experts on **4th, 5th or 6th March between 10am – 12pm and 2pm – 4pm** please send the following details:

- › Name
- › Job title
- › Organisation
- › Appointment date/time request
- › Summary of issue

to events@nestcorporation.org.uk and we'll book you in. Details will be sent in follow up email



Come and see us in-person at...

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and Bookkeeping**

13/14 March – **Stand E16**

Accountex London

15/16 May – **Stand 1044**

Accountex Manchester

17 September

CIPP annual conference

2/3 October



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