

Press release

A J Bell clears up confusion re anti-forestalling changes

11 December 2009

In Wednesday's Pre-Budget Report Alistair Darling announced that employer contributions must be included in the income calculations of those higher earners affected by the anti-forestalling restrictions on pensions tax relief. There was some ambiguity in the Pre-Budget Report Notes as to whether this change took immediate effect.

In written correspondence with HMRC, A J Bell has received confirmation that, whilst all employer contributions must be included from 2011 "for the purposes of anti-forestalling the income definition remains as before so it excludes employer contributions." This provides clarification that the change will only affect employer contributions made from 6 April 2011. The current position remains that only employer contributions made under a salary sacrifice arrangement must be included for the purposes of the anti-forestalling measures.

Andy Bell, Chief Executive and Actuary at A J Bell says "This is just one more example of the Government's muddled policy on pensions. The changes to the anti-forestalling measures have added another layer of complexity without reason. The questions we have received suggest that this has already led to confusion as to the effective date of some of the rules."

Bell continued "The difference between the pre and post 6th April 2011 rules will create an arbitrage opportunity, pension savers will still need to be careful that they are not caught by the general anti-avoidance rule aimed at those making arrangements to artificially reduce income to less than £130,000. They will still potentially face a 20% tax penalty if caught by this rule."

END

Please note this document is intended for trade and national press individuals.

Notes for Editors

Pictures available by contacting kirsty.zollinger@ajbell.co.uk.

Billy Mackay - Marketing Director
07525 236 580
billy.mackay@ajbell.co.uk

Andy Bell - Chief Executive
07973 137 272
andy.bell@ajbell.co.uk

Kirsty Zollinger - Sales & Marketing Manager
0161 876 8706
kirsty.zollinger@ajbell.co.uk

A J Bell is the UK's largest privately owned SIPP provider and is continuing to grow rapidly in challenging capital markets. Invesco Perpetual and Midas Capital own 23% and 15% respectively of the share capital, the remainder being owned by Andy Bell and the management team.

Established in 1995, A J Bell specialises in providing administration, trustee and actuarial services for SIPP and SSAS.

A J Bell is now the largest privately owned provider of self administered pensions and institutional stockbroker services in the UK, with in excess of 40,000 individual SIPPs and assets under administration exceeding £8.4bn. It provides third party SIPP administration services for Barclays Stockbrokers, Halifax Share Dealing, Skandia and E*Trade.

Our customer proposition - Market leading, low cost, transparent, service, value, choice, leading functionality, integrity, award winning.

Our business - Market leaders, growing, innovative, own intellectual property, profitable, stable, we don't provide advice or investment management.

Research by CoreData Research places Sippcentre alongside Standard Life as advisers' two most preferred SIPPs.

Moneywise have awarded Sippcentre the accolade of Best Low-Cost SIPP Pension Provider for the 5th consecutive year.

A J Bell has been announced as the winner of the 2009 Best SIPP Provider award at the Professional Pension Awards and more recently picked up Best SIPP Provider at the Moneyfacts Investment Life & Pensions Awards.



**Best Sipp
Provider
Sippdeal**



The Daily Telegraph
Wealth Management
Awards



A J Bell includes A J Bell Holdings Limited and its wholly owned subsidiaries A J Bell Management Limited, A J Bell Limited and A J Bell Securities Limited.

A J Bell Management Limited is authorised and regulated by the Financial Services Authority. A J Bell Securities Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority.

Sippdeal, Sippdealxtra and Sippcentre are platforms provided by A J Bell Management Limited. A J Bell Platinum SIPP is provided by A J Bell Management Limited. A J Bell Platinum SSAS is provided by A J Bell Limited.

The companies listed in the adjacent table are all registered in England and Wales at Trafford House, Chester Road, Manchester M32 0RS.

Company	Company Number	VAT Number
A J Bell Holdings Limited	4503206	833 5478 13
A J Bell Management Limited	3948391	759 3531 03
A J Bell Limited	3091664	639 0316 44
A J Bell Securities Limited	2723420	918 4226 21