

Press release

Pension savers in higher rate tax relief contribution rush

26 March 2010

A J Bell today announces a four-fold increase in anti-forestalling contributions as savers take advantage of higher rate tax relief on pension contributions before it disappears.

Andy Bell, Chief Executive states “The run-up to the tax-year end always sees a significant spike in contributions as savers are looking at ways to reduce their higher rate tax liabilities. This year the one statistic that is standing out is the surge in contributions at the £20,000 - £30,000 level. In the Budget the Government confirmed it is sticking to its plans to restrict higher rate tax relief on all contributions paid by higher earners from April 2011. The Government estimates these plans are going to cost the financial services industry the best part of £1 billion in the first year of implementation alone. The Government does not have a strong track record of accurately estimating costs from changes in pension policy, the real cost could easily be higher. Forcing these costs on the industry is madness when a simple reduction of the annual allowance could be implemented at virtually no cost.”

Billy Mackay, Marketing Director added “Savers with earnings of more than £130,000 can still receive higher rate tax relief on contributions up to £20,000, and in some cases £30,000. We have seen a four-fold increase in contributions in this range. The Government’s changes have reduced the appetite of investors to pay large contributions. However, there is no doubt that our clients remain focussed on maximising contributions and minimising their liability to tax where possible. We fully expect this trend to escalate as we approach the end of the current tax year as more people realise the importance of maximising their higher rate tax relief.”

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

Andy Bell
Chief Executive
07973 137 272

Kirsty Zollinger
Sales & Marketing Manager
0845 40 89 100

billy.mackay@ajbell.co.uk

andy.bell.@ajbell.co.uk

kirsty.zollinger@ajbell.co.uk

A J Bell 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 40,200 individual SIPPs and assets under administration exceeding £11.2bn. It also 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.



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.

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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