

# TTFACS

## TRANSITIONAL TAX-FREE AMOUNT CERTIFICATE SERVICE

QB Partners offer independent, market leading technical support to financial advisers with cross border clients, on a business-to-business basis.

QB Partner's TTFAC Service provides confirmation of a clients available Lump Sum Allowance and Lump Sum and Death Benefit Allowance with commentary and guidance on how to obtain a certificate, where appropriate.

### Why has the service become necessary?

As of 6th April 2024, tax free amounts from UK pensions will be limited by a Lump Sum Allowance (LSA) and Lump Sum and Death Benefits Allowance (LSDBA). UK pension members that had used up some of their Lifetime Allowance will have reduced allowances and will be subject to standard calculations when they access any other uncrystallised UK pensions. A Transitional Tax-Free Amount Certificate may be beneficial to some clients, to increase these allowances.

Under the standard calculations, the scheme will assume that 25% of any Lifetime Allowance used pre-6th April 2024 will have included a 25% Tax-Free Amount to the member.

Care must be taken as the certificate cannot be cancelled if the results provide reduced allowances. QB Partners TTFAC Service will help you to clarify the outcome of a TTFAC application in advance, compared with the allowances available via the schemes standard calculations.



### Examples of when a TTFAC could benefit your client:

1. Where a UK pension member has a Defined Benefit Pension in payment, which has paid Tax-Free Cash below 25% of the Lifetime Allowance used.
2. Where UK pension benefits have been transferred to QROPS.
3. Where 100% of the Lifetime Allowance has been used and the member is below the age of 75.

Under the first 2 examples, it may be beneficial to increase your clients Lump Sum Allowance if they have other UK pensions which are uncrystallised and where 25% of the uncrystallised pension would exceed the 'Standard' Lump Sum Allowance.

An increased Lump Sum and Death Benefit Allowance may be available via each example, although under the 3<sup>rd</sup> example the increase will typically be from zero to £804,825, which could save UK beneficiaries from up to £362,000 in UK income taxes.



**QB Partners TTFAC service is available starting at £250, or £500 with 'sign-off' from a UK chartered Tax Adviser.**

**You can submit a request via our short online TTFAC form, available here: [www.qbtax.uk](http://www.qbtax.uk)**



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