

# **The importance of financial advice and guidance**

Before putting any of these local arrangements in place, employers should strongly encourage employees who are concerned about their pension tax position to seek independent financial advice to:

- check the employee is actually at risk of exceeding their annual or lifetime allowance
- understand if it is in the employee's best financial interests to take any action to limit their pension growth.

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**It is vital that employees take independent financial advice before making any decisions to change their working patterns or opt out of the NHS Pension Scheme.**

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In some cases, it may be financially beneficial for individuals to continue to work and build up pension in the scheme and pay any tax charge that falls due.

Options such as carry forward or scheme pays may be appropriate ways for the individual to manage and pay their tax liability.

An individual's pension tax position depends on their own financial circumstances, such as their length of membership in the NHS Pension Scheme, their pay progression, their taxable income from all sources (including income from employment outside the NHS and rental properties) and their pension savings from all employments. This means the most appropriate course of action for one employee is not necessarily the same for another.

A list of organisations that can give expert guidance and advice on pension tax issues for members of the NHS Pension Scheme is available on our website.