

Visualise it
and **make it happen**

Carry forward

This explains how to maximise your annual allowance or tapered annual allowance if you have not done so in previous tax years.

The impact of the annual allowance (AA), or the tapered annual allowance (TAA) may be offset by the ability to carry forward unused AA from the last three tax years and add it to the AA/TAA for the current tax year.

The AA in the current tax year must be maximised first before using unused allowances from previous years.

The diagram here shows the full AA for the current and three previous tax years:

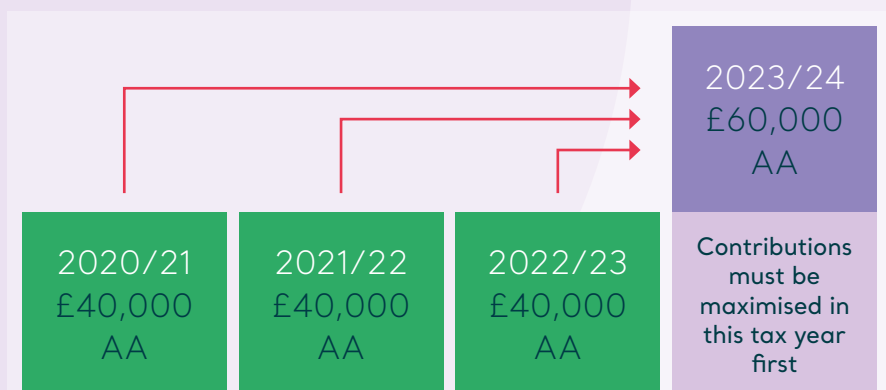


Diagram note: Where individuals are subject to tapering the same carry forward principle can be applied.

Tapering has applied since the 2016/17 tax year.

"You may be able to **offset the impact** of the annual allowance with carry forward."

Where previous years' AAs have not been fully utilised, carry forward may enable tax efficient pension contributions over and above the AA or TAA to be paid without incurring a tax charge.

Carry forward cannot be used where an individual is subject to the Money Purchase Annual Allowance and they want to pay more than £10,000 into their money purchase (also known as defined contribution) pension scheme. Please see our separate '[Money Purchase Annual Allowance](#)' for further details.

I need more information!

Further information on carry forward can be found at:

www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions/carry-forward

If you think that you may be affected, you should consider taking financial advice. You should be aware an adviser would normally charge for using their services. You can contact Punter Southall Aspire's financial planning team for advice at www.puntersouthall.com/contact

Note

This briefing note should be read in conjunction with both our '[Annual allowance](#)' and '[Tapered annual allowance](#)' notes.

Your Pension Potential hub – get free instant access today

The Pension Potential hub gives you easy access to personalised information and help with looking into your retirement options.

**PENSION
POTENTIAL**



Compare your
retirement options



Shop for a guaranteed
income (annuity)



Get **expert**
help

[Explore your Pension Potential today →](#)

This briefing note gives an overview only; it does not provide specific advice. It is based on our understanding of tax regulations for the 2023/24 tax year which may change in the future.

Aspire to Retire and Second Sight are trading names of Foster Denovo Limited, which is authorised and regulated by the Financial Conduct Authority. FCA Reg No. 462728. Registered office: Ruxley House, 2 Hamm Moor Lane, Addlestone, Surrey, KT15 2SA. Foster Denovo Limited is registered in England and Wales No 05970987.

Ref: 307; Exp: 05/04/2024