

Your firm has been asked to provide advice to two unrelated clients, Stella and Maris. Stella requires advice on the tax implications of making an increased contribution to her personal pension scheme. Maris requires advice regarding the lump sum payment she has received from her pension scheme and the inheritance tax exemptions available on her proposed lifetime gifts.

**(a) Stella:**

- Is resident and domiciled in the UK.
- Was born on 1 May 1958.
- Receives a gross salary of £80,000 each year.
- Has income from a portfolio of unfurnished properties, totalling £92,000 in the tax year 2015/16.
- Has no other source of taxable income.
- Wishes to make an increased contribution to her personal pension scheme in the tax year 2015/16.

**Personal pension scheme contributions:**

- Stella has contributed £40,000 (gross) to her personal pension scheme in each of the four tax years 2011/12, 2012/13, 2013/14 and 2014/15.
- Stella wishes to make an increased contribution of £90,000 (gross) in the tax year 2015/16.

**Required:**

Calculate Stella's income after tax and pension contributions for the tax year 2015/16 if she does pay £90,000 (gross) into her personal pension scheme. (10 marks)