Published on *The National Law Review* https://natlawreview.com

What Relief – No More Changes to UK Pensions Tax Relief (and No More Autumn Statements)!

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Save for confirmation of a ban on cold calling and a reduction in the ***Money Purchase Annual Allowance***, the ***UK Autumn Statement*** included no pension reform to the great relief of an industry in desperate need of a period of stability.

The pension system was the cookie jar into which George Osborne kept dipping. Barely any aspect was left untouched during Osborne's 6 year tenure. The state pension changed dramatically in April 2016 and, with the Cridland report at only interim report stage, it was perhaps too early for further changes to be announced. Public sector pensions have been through a recent restructuring and earlier this year public sector employers saw the cost that they pay the Treasury to subsidise these arrangements increase by £2bn per annum when discount rates were reduced. Again it was too soon for these arrangements to be revisited.

That just left occupational and private pensions. Again Hammond's predecessor was very active in this area. 2015 saw the introduction of much wider freedom and choice for over 55s in terms of how they access their pension savings. Meanwhile the tax relief available to pension savings has steadily reduced with further cuts in April 2016. The Chancellor resisted any temptation to announce more freedoms or additional cuts to tax relief and refrained from revisiting other proposals that had previously been put in the too difficult pile (e.g. a single rate of pension tax relief or cut backs on pension salary sacrifice). Instead he did something that Osborne never seemed to manage and left pensions well alone!

National Law Review, Volume VI, Number 328

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