



Autumn 2021 Budget

On the 28 October 2021, the Chancellor of the Exchequer announced a series of spending measures including some pension changes.

It was however confirmed that there is to be no change to the Annual Allowance for 2022/23. There will also be no changes made to the Tapered Annual Allowance provisions for 2022/23. The Lifetime Allowance remains frozen at the current level of £1,073,100 until April 2026.

Suspension of 'Triple Lock'

As reported in our September In4orm, the Budget has confirmed that legislation will be laid out to see the temporary suspension of the 'Triple Lock'.

For the tax year 2022/23, the new and basic State Pension, Pension Credit and survivors' benefits in industrial death benefit will increase by the higher of Consumer Price Index (CPI) or 2.5%, as it looks to protect pensioners from higher costs of living whilst protecting taxpayers from the substantial additional economic pressure created by the distorted earnings data gathered due to the pandemic.

Low earners tax relief solution

Last year there was a call for evidence on pensions tax relief administration, specifically the anomaly for low earners that pay into a pension scheme via a Net Pay Arrangement when compared to those who contribute via Relief at Source. Low earners in a Net Pay Arrangement do not currently receive tax relief on their contributions but they would benefit from tax relief if they were in a relief at source scheme.

The Government has announced a solution, from 2025/26, these members will be able to claim top-up payments made directly to them in respect of contributions made in 2024/25 onwards.

If you have any queries please contact your usual 44 Consultant or email admin@44benefits.co.uk

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