



## Chancellor still after pensions

Even following the Chancellor's recent announcement about pension tax relief, this month's budget is still quite likely to see an unprecedented attack on those saving for their future through a traditional pension. That's according to Alan Suggett, Chartered Accountant and Media Officer for NASDAL (National Association of Specialist Dental Accountants and Lawyers).

"There are very strong predictions of what the Chancellor's Budget intentions are", said Alan. "The recent announcement only referred to any plans to alter or end tax relief. While we can only speculate, in my experience politicians tend to be very careful in their choice of language. I certainly think that the door is open for other pension changes."

The increasing number of employees who will be included in the Workplace pensions/Auto Enrolment regime will lead to a huge reduction in tax paid to the Exchequer. This has led George Osborne to seek to compensate by increasing tax in other areas.

It is quite likely that changes along the following lines may be enacted (or in some cases will take effect):

- 1) **Reduction in the Lifetime Allowance** (this is the value of an individual's pension fund) - already being reduced from £1.25 million to £1 million on 6<sup>th</sup> April 2016, perhaps a further reduction to £750,000 is in the pipeline?
- 2) **Reduction in the Annual Allowance** (the amount of tax relievable contributions into a pension fund an individual can make annually) –Annual Allowance Taper Relief will apply from 6<sup>th</sup> April, reducing the Annual Allowance from £40,000 to £10,000 for those who earn more than £210,000 pa
- 3) **Reduction in the amount of cash which can be taken from a pension fund without tax payment** (currently 25% of the fund) – perhaps a lower percentage, or maybe payment of tax on all withdrawals?

“I am concerned that for some higher earners this will lead to a large increase in taxation and for higher earning self-employed NHS practitioners a significant increase in hassle and uncertainty.”

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**About the Author:**

Alan is a Chartered Accountant and partner in UNW LLP chartered accountants and media officer of the National Association of Specialist Dental Accountants & Lawyers (NASDAL) as well as a member of the technical committee, and chair of the NHS Superannuation committee.

Alan is the editor of the quarterly NASDAL goodwill survey which analyses all member client practice sales, purchases, and valuations.