

All

There was mostly good news in yesterday's budget, but I have already read some inaccurate reports, so here are the main pension points:

Age 75

Anyone reaching age 75 from today can take their tax free cash but defer annuitizing or going into ASP for 2 years. As such on death their funds will only be subject to 35% tax.

NB NB: Tax free cash cannot be deferred to 77

NB NB: Anyone already in ASP will still be subject to current income limits and current taxes on death. So, someone who went into ASP last week must take minimum withdrawals, and even if they die aged 76 will still be subject to 82% tax.

Higher rate relief etc

It seems almost certain that we will get a reduced Annual Allowance instead of all the proposed complications for those with income over £130,000/£150,000. The Allowance will be in the range £30,000 - £45,000, which is lower than the £50,000 - £60,000 that the likes of the NAPF proposed. My guess is that it will be at least £40,000 if not £45,000, on the basis that they have lowered expectations and no-one will complain when it might have been £30,000!

For the current tax year anti forestalling continues to apply.

David Trenner

Technical Director
Intelligent Pensions Ltd