



ARE YOU AFFECTED?

**10 pension rule changes you
need to know about now**

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One of the key take outs from the March 2023 Budget was Chancellor Jeremy Hunt's announcement that he was scrapping the pension lifetime allowance charge and increasing the pension annual allowance to £60,000. What the Chancellor didn't discuss is what this means in real terms, how it could impact your retirement savings and income, and why now more than ever you should speak to us about your pension.

You could be affected if you:

- 1** **Have a pension fund which exceeds or is close to £1,073,100 (the lifetime allowance figure).** If you have a sizeable pension fund, the removal of the lifetime allowance charge from 6 April 2023 means that you can pay more into your fund and not have to pay punitive tax charges when drawing money out
- 2** **Want to pay more into your pension.** The new rules mean that most taxpayers can now pay more money into their pension (up to £60,000 a year) if their earnings allow
- 3** **Previously applied for lifetime allowance protection.** This could have a substantial impact on your pension tax-free cash. Reviewing any of your past lifetime allowance protections could provide you with more flexibility when retiring or making further contributions
- 4** **Want to benefit from employer pension contributions.** You may have opted out of a workplace pension scheme if you were previously close to breaching the pension lifetime allowance. With the pension changes, it could be beneficial for you to start paying into a plan again and take advantage of any valuable pension payments from your employer
- 5** **Have old pensions that do not offer flexible benefit options.** These may be treated differently under the new rules. Older pension plans may not have 'modern' features, such as being able to flexibly access benefits. This could mean that when you die, the funds will be unnecessarily taxed and your beneficiaries may receive less than you would have hoped for
- 6** **Are considering retiring within the next couple of years.** You might now be able to bring the date forward, taking advantage of the removal of the lifetime allowance charge. The amount you will now receive after age 55 could be significantly higher than previously expected, depending on your circumstances
- 7** **Are due to inherit a pension soon.** The pension changes take effect on 6 April 2023 and will be finalised once the Finance Bill is passed. Deferring the payment of the pension death benefits could therefore reduce the amount of tax you may need to pay



- 8 **Have drawn on your pension but returned to work.** The increase of the money purchase annual allowance from £4,000 to £10,000 could mean you can re-join a workplace pension scheme and take advantage of generous employer contributions again. When you do decide to retire, this could increase the value of your pension pot
- 9 **Have death benefits written into trust.** Pensions that have designated a trust to receive benefits on your death might result in unnecessary tax being suffered on death during the 2023/24 tax year
- 10 **Are above the threshold for the new free childcare for two year olds.** Making pension contributions could bring your income within the annual earnings limit of £100,000 and stop you falling off the childcare contribution cliff edge

Speak to Evelyn Partners about your pension now

With all of the planned changes, there is no better time to review your pensions with one of our experts. Even if you have had a review within the last 12 months, the advice you will receive could be very different. In fact, because of the new rules, there are some cases where the right advice could result in a complete U-turn from what you would have received just a few months ago.

To find out more about how you could be affected by the pension rule changes, book an initial, no-obligation consultation by visiting www.evelyn.com/request-an-appointment or calling 020 3131 5203.

Important information

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Our mission is 'to place the power of good advice into more hands'.

All our advice is delivered by people who care, who go further to understand your needs so they can help you make big decisions with ease and confidence, bringing you closer to what matters most to you.



T: 020 3131 5203
E: contact@evelyn.com
www.evelyn.com

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45 Gresham Street, London EC2V 7BG.
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