

30 October 2018

Budget good news for pensions, says Sackers

Sacker & Partners LLP (Sackers), the UK's leading specialist law firm for pensions and retirement savings, reacted positively to yesterday's Government's Budget statement.

Lucy Dunbar, partner at Sackers, commented: "The budget should be seen as a "good news" story for pensions, with the headline message of no significant changes to pensions tax relief or tax allowances giving welcome stability. The Government's commitment to the development of pensions dashboards, allowing individuals to see all their pension pots in one place, is a positive move, particularly given the uncertainty that has surrounded the project to date. With the confirmation that state pensions will be included in the dashboards, the hope is that these tools will enable individuals to better understand the overall income they can expect in retirement and what future retirement savings they may need to make."

While there was little in terms of pensions news stories, and we await publication of the Finance Bill 2019 on 7 November 2018, the Chancellor did confirm the following:

- The Lifetime Allowance will increase in line with CPI to £1,055,000 in April
- Confirmation of the proposed ban on pensions cold calling, publishing regulations alongside the Budget which will be subject to parliamentary approval
- Further dashboard funding and consultation later this year on the detailed design and on how an industry-led approach could harness innovation while protecting consumers
- The DWP will this winter "publish a paper setting out the government's approach to increasing pension participation and savings persistency among the self-employed
- A reduction in the discount rate for public service pension schemes, to 2.4% plus CPI, in line with established methodology to reflect OBR forecasts for long-term GDP growth
- Through the British Business Bank, the Government will support pension funds to invest in growing UK businesses
- The FCA will publish a discussion paper by the end of 2018 to explore how effectively the UK's existing fund regime enables investment in patient capital, which will accompany the ongoing Asset Management Taskforce to explore the feasibility of a new long-term asset fund
- The DWP will consult in 2019 on the function of the pensions charge cap to ensure that it does not unduly restrict the use of performance fees within default pension schemes
- The FCA will consult by the end of 2018 on updating the permitted links framework to allow unit-linked pension funds to invest in an appropriate range of patient capital assets.

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Notes to Editors:

Sacker & Partners LLP (Sackers) is a top tier commercial law firm specialising in advising DB and DC pension scheme trustees, employers, providers and corporate investors on all aspects of their pension arrangements.

Widely viewed as leaders in the field, Sackers advises more of the UK's top 200 pension funds than any other law firm. Sackers is consistently ranked in the top tier for pensions by both leading UK legal directories (Chambers UK and the Legal 500) and has been for the last twenty years.

Based in London, Sackers provides support to trustee boards, sponsoring employers, providers and Government bodies across a range of areas, including day to day scheme management, funding and investment, risk and litigation.

Sackers is an active member of the Pensions and Lifetime Savings Association and The Association of Pensions Lawyers and is technical legal expert partner to the Pensions Management Institute and PensionChair. Sackers also works closely with TPAS, the SPP, APPT and the Pensions Investment Academy.

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