

The Finance Act 2017 received Royal Assent yesterday. Due to the snap decision to call a General Election on 8 June 2017, a shortened form of the Finance Bill was presented to the House of Commons on Tuesday, to allow key areas of tax legislation to be enacted before the dissolution of parliament. (See our earlier [blog](#) which anticipated this eventuality.) Two areas of draft pensions tax legislation were taken out of the Finance Bill and do not, therefore, appear in the Finance Act:

1. The reduction in the money purchase annual allowance from £10,000 to £4,000 from 6 April 2017, affecting those who flexibly access pension savings.
2. The income tax exemption for employer-arranged pension advice\* (which changes the scope of the advice that can be provided and increases the amount from £150 to £500 from 6 April 2017).

It is now uncertain whether these provisions will form part of future legislation and, if so, whether they will have retrospective effect to 6 April 2017. Until the position is clarified the least risk approach would be:

1. To proceed on the basis that the money purchase annual allowance has reduced to £4,000 from 6 April 2017. If the reduction is delayed, or does not proceed at all, members should have scope to make additional tax-relieved pension contributions later in the tax year.
2. To proceed on the basis that the income tax exemption for employer-arranged pension advice did not increase on 6 April 2017.

If the change in government stance causes any practical difficulties, we would be happy to discuss the approach that could be taken in any particular case.

## Pension Schemes Act

The Pension Schemes Act also received Royal Assent yesterday. This act introduces the new framework for master trusts.

## Further Information

For further information, please contact your usual member of the Pensions Team or any of the partners listed.

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\*Please note that the employer-arranged pension advice is different to the Pension Advice Allowance that can be deducted from a member's money purchase pension plan and paid to a financial adviser if the pension plan rules allow it. The legislation introducing the Pension Advice Allowance did not form part of the Finance Bill and came into force on 6 April 2017.