

# Corporate Pensions Newsletter – November 2024

For trustees and employers



In our latest newsletter, we let you know about the key headlines made in the Autumn Budget and a summary of what was set out in the Mansion House 2024 speech.

Rachel Reeves, the Chancellor of the Exchequer delivered the Autumn Budget on 30 October 2024. It was the Labour government's first Budget in 14 years and significant changes were announced – let's take a look at some of the key announcements made:

- There's no change to **tax relief on pension contributions, pension tax-free cash limits, income tax or employee National Insurance contributions.**
- The freeze to income tax and National Insurance contributions thresholds won't be extended, so from April 2028, personal tax thresholds will be uprated in line with inflation.
- The rate of **employer National Insurance contributions** will rise from 13.8% to 15% from April 2025.
- **National Living Wage** is expected to increase to £12.21 per hour for all eligible employees from April 2025. **National Minimum Wage** for 18-20 year olds will increase to £10.00 per hour for all eligible workers.
- **The basic and new State Pension** is projected to rise to 4.1% from April 2025. The government will maintain the State Pension Triple Lock for the duration of this parliament.
- Changes to **Inheritance Tax (IHT)** have been announced, with the government confirming that they intend to include most unused pension funds and death benefits within the value of an individual's estate for IHT purposes.
  - Most pension death benefits are usually paid out at the pension scheme's discretion, which means, under existing rules, they don't form part of the estate and are not liable to IHT.

- However, from 6 April 2027, when a pension scheme member dies with unused pension funds or without having accessed all of their pension entitlements, those unused funds and death benefits will be treated as being part of that individual's estate and may be liable to IHT.

The government is now consulting on the processes required to implement these changes. They intend to publish a response document and carry out a technical consultation on draft legislation for these changes in 2025. We'll keep you informed of any further developments in future newsletters.



You can find a full summary of the changes in our [Autumn Budget article](#)





## Mansion House 2024 speech

On 14 November 2024, the Chancellor set out in a speech the government's vision to grow and enhance the competitiveness of the UK's world-leading financial services sector. The speech included a number of announcements that impact the pension landscape, including plans to consolidate the Defined Contribution (DC) workplace pension market, and to consolidate the assets of the existing 86 Local Government Pension Scheme (LGPS) administering authorities into a handful of megafunds.

Following on from the speech, the government published the following pension related documents:

### Pensions Investment Review: Interim Report

This is a policy paper setting out the interim findings of the first phase of the Pensions Investment Review. It includes proposals to legislate for:

- A minimum size and maximum number of DC pension scheme default funds, and
- The 86 LGPS administering authorities to consolidate their assets into fewer, pools of capital.

The government is planning to legislate the changes in the interim report in the Pension Schemes Bill next year.

### Pensions Investment Review: Unlocking the UK pensions market for growth

This consultation sets out proposed reforms to deliver scale, accelerate consolidation, drive focus on value over cost in the DC workplace pensions market, and explores other changes. The consultation closes on 16 January 2025.

### LGPS (England and Wales): Fit for the future

This is a consultation on a package of proposed reforms to the structure, investments and governance of the LGPS. The consultation closes on 16 January 2025.

### Pension Fund Investment and the UK Economy

This provides estimates of the trends in UK pension fund asset allocations over time, with comparisons to selected countries.



More information about the pension related documents can be found below:

[Pensions Investment Review: interim report, consultations and evidence](#) (GOV.UK, November 2024)



The full list of publications covering all of the announcements made in the Mansion House speech can be found below:

[Mansion House 2024](#) (GOV.UK, November 2024)



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