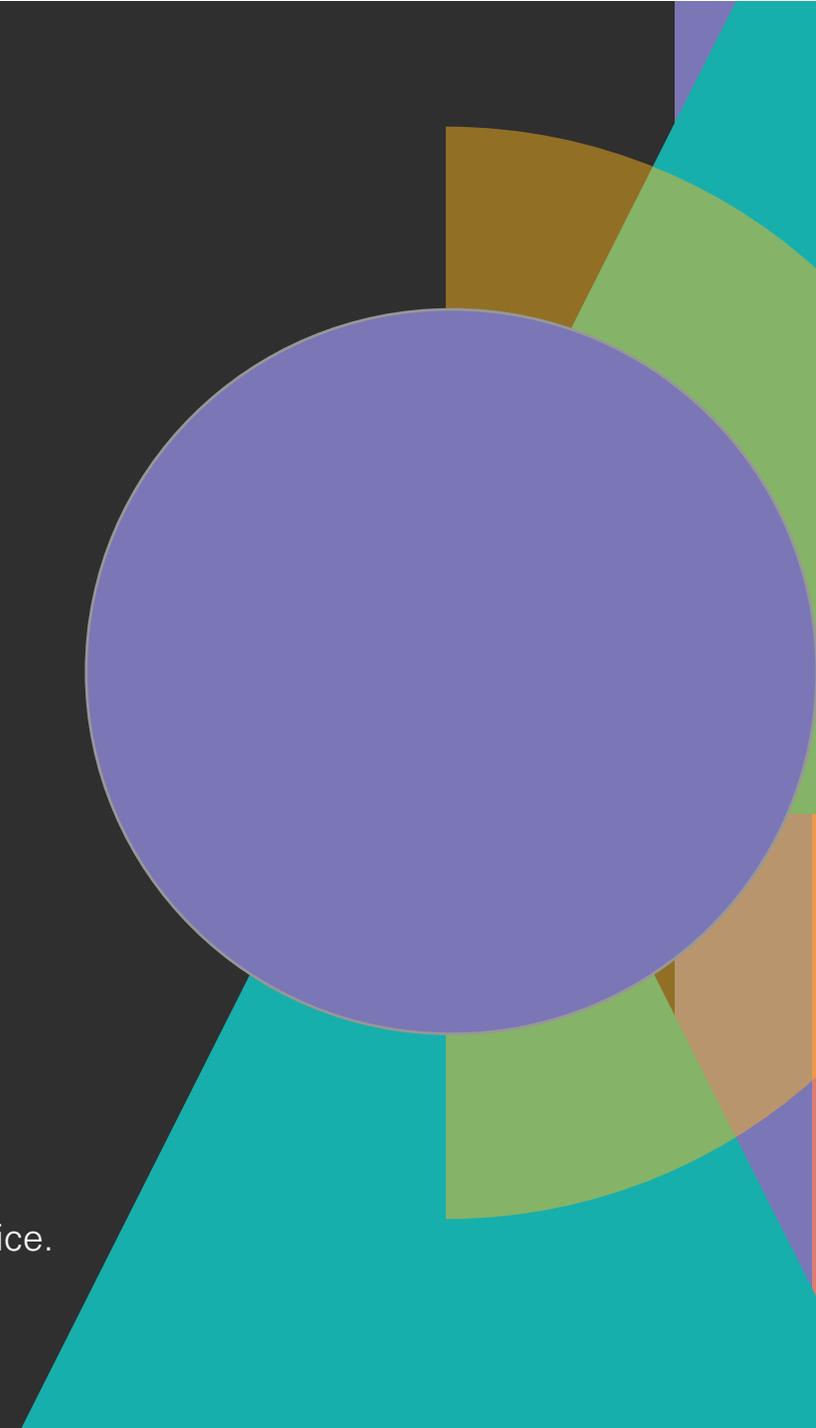


Autumn Statement 2023

Some tax cuts and LTA abolition clarity

The information that follows is based on our understanding of current taxation, legislation and HM Revenue & Customs practice as of November 2023 all of which are liable to change without notice.

This is just for UK advisers – it's not for use with clients



Important Information

This content is based on our understanding of current taxation, legislation and HM Revenue & Customs practice all of which are liable to change without notice. The impact of any taxation (and any tax reliefs) depends on individual circumstances.

Where content includes case studies or examples these are for illustration purposes and are not recommending a specific course of action.

Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and your client may get back less than they've paid in.

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Learning Objectives

By the end of this session, you will be able to:

Describe the impact of the Chancellor's Autumn Statement on your clients' financial planning.



LTA Abolition

“Income” Death Benefits

Individuals will still be able to receive the benefits which are currently tested against the LTA at BCEs 5C and 5D, but the values will no longer be excluded from marginal rate income tax under ITEPA, with effect from 6 April 2024.

Following consultation, the government can confirm individuals will still be able to receive the benefits that are currently tested against the LTA under BCEs 5C and 5D. Their values will continue to be excluded from income tax, maintaining the current treatment.

For death under 75, settled within 2 years of the scheme becoming aware of the members death.

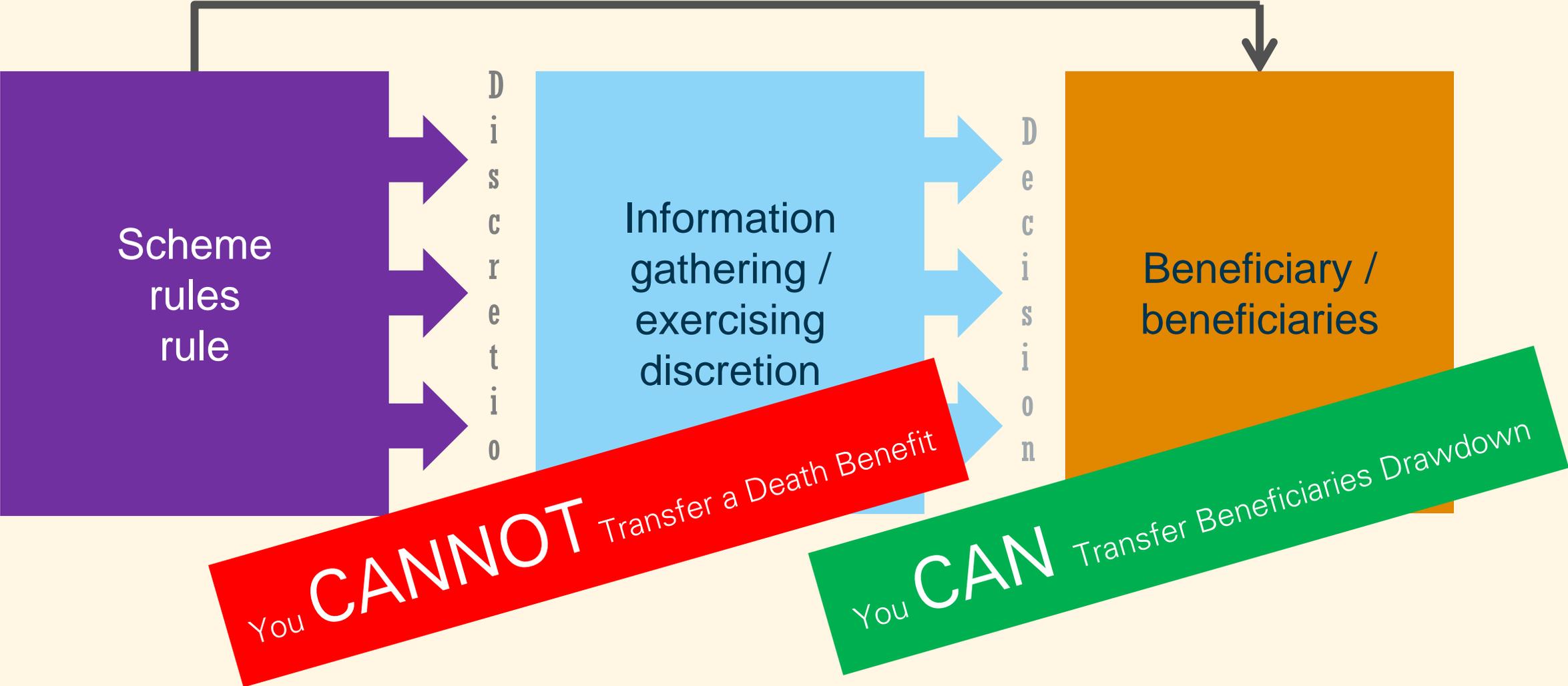
Who can get what?

Assuming rules allow discretion over payment of death benefits AND the scheme can offer income options.

Who can get an income, and who can get a lump sum?

Distribution of Death Benefits

No discretion / binding nomination / plan terms



Transfers Overseas

6 April 2024

LTA tested

Tested Against
Overseas Transfer
Allowance

Overseas Transfer
Charge Can Apply

Overseas Transfer
Charge Can Apply

Income Transitional Issues

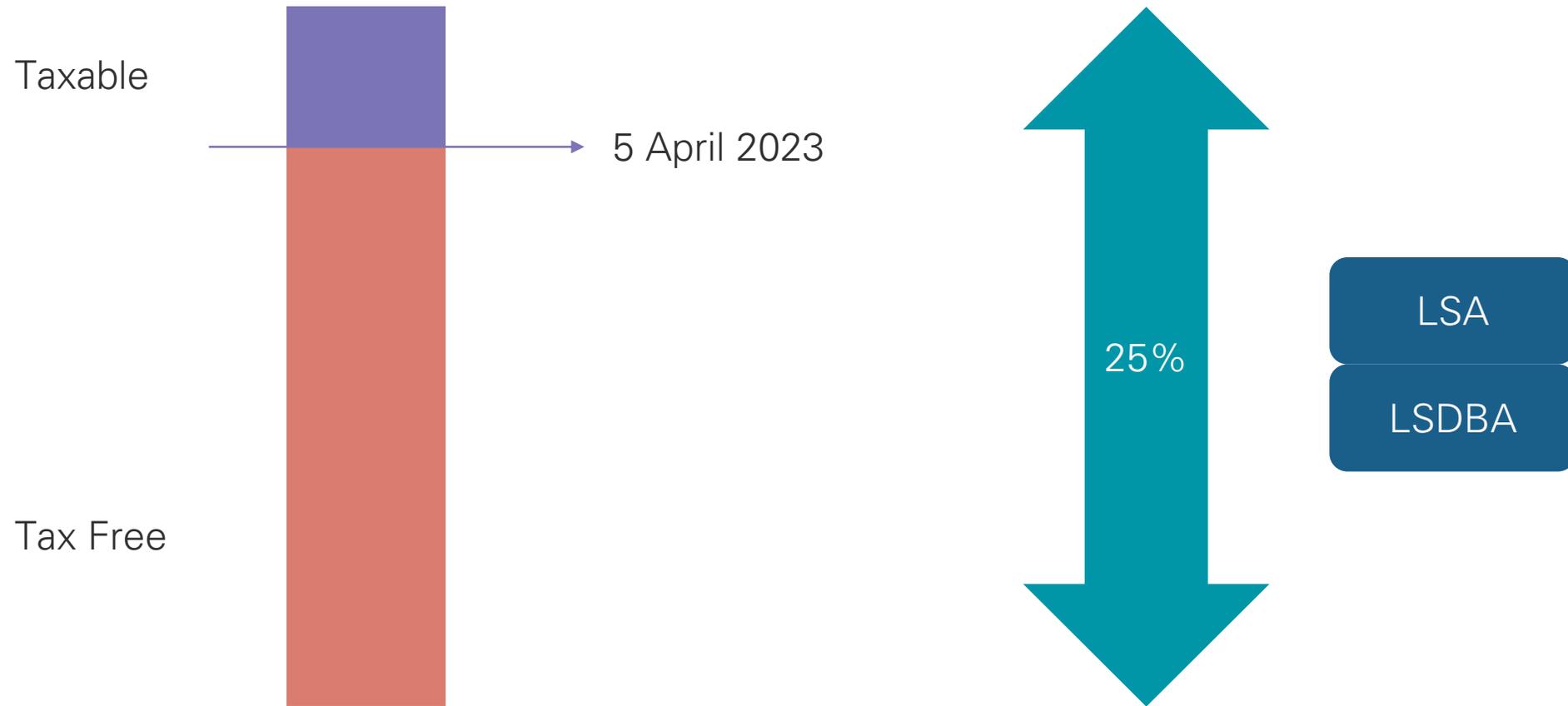
100% of LTA used = New Allowances Exhausted

Less than 100% of LTA used = A transitional calculation provided

Members with complete and accurate records of the previous tax-free amounts they have received will have opportunity to provide these records to their scheme for an alternative transitional calculation.

New calculation method for pre-commencement pensions

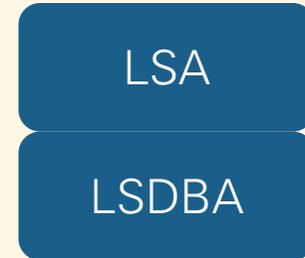
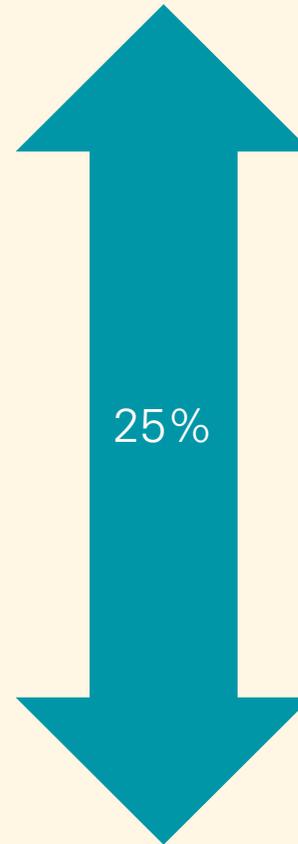
Standalone Lump Sums



Scheme Specific Lump Sums

Taxable

Tax Free



New Regime Misc

Lifetime Allowance
Enhancement Factors to
be included

If entitled
before 6 April
2024

And applied
for before 6
April 2025

Trivial Commutation &
Winding Up Lump Sums
NOT Included



National Insurance

National Insurance

Class 1
Employee



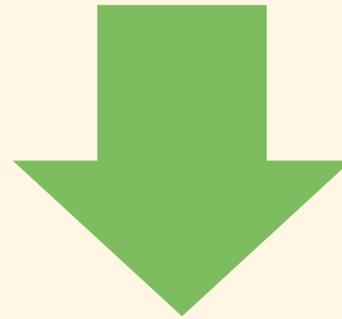
10% on earnings
between £12,570
and £50,270

Class 1A
Employer



No
change

Class 2
Self-employed



Abolished for those
with profits over
£12,570

Class 3
Voluntary



No
change

Class 4
Self-employed



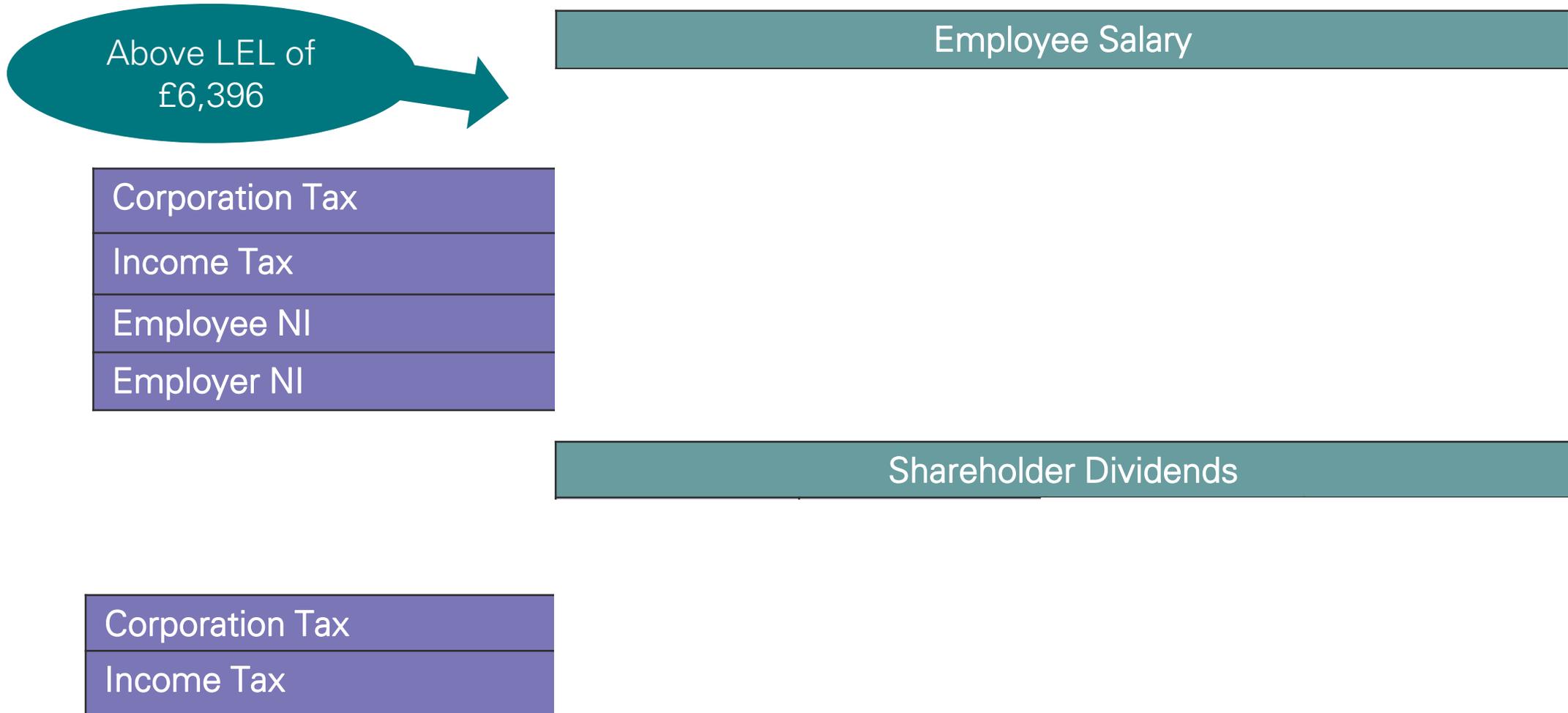
8% on profits
between £12,570
and £50,270

Salary Sacrifice?

Tax Year 2023/24

	<u>Pre Sacrifice</u>
Employee	
Salary	£50,270
Less Income Tax	£7,540
Less National Insurance (Class 1)	£4,524
Salary after tax and NI	£38,206
Less Contributions paid net	£0
<i>Take Home Pay</i>	£38,206
<i>Pension Pot</i>	£0
Employer	
Employer Pension Contribution	£0
Plus Salary Paid	£50,270
Plus Employers National Insurance (Class 1)	£5,681
<i>Cost to employer</i>	£55,951

Why £12,570 still “works”





Pensions 2030

Collective Defined Contribution

Potential expanded role for collective defined contribution (CDC) schemes in future.

Small Pots

Default consolidator model to enable a small number of authorised schemes to act as a consolidator for eligible pension pots under £1,000.

Pot for Life

Exploration of a Lifetime Provider Model

Miscellany



DB Investments

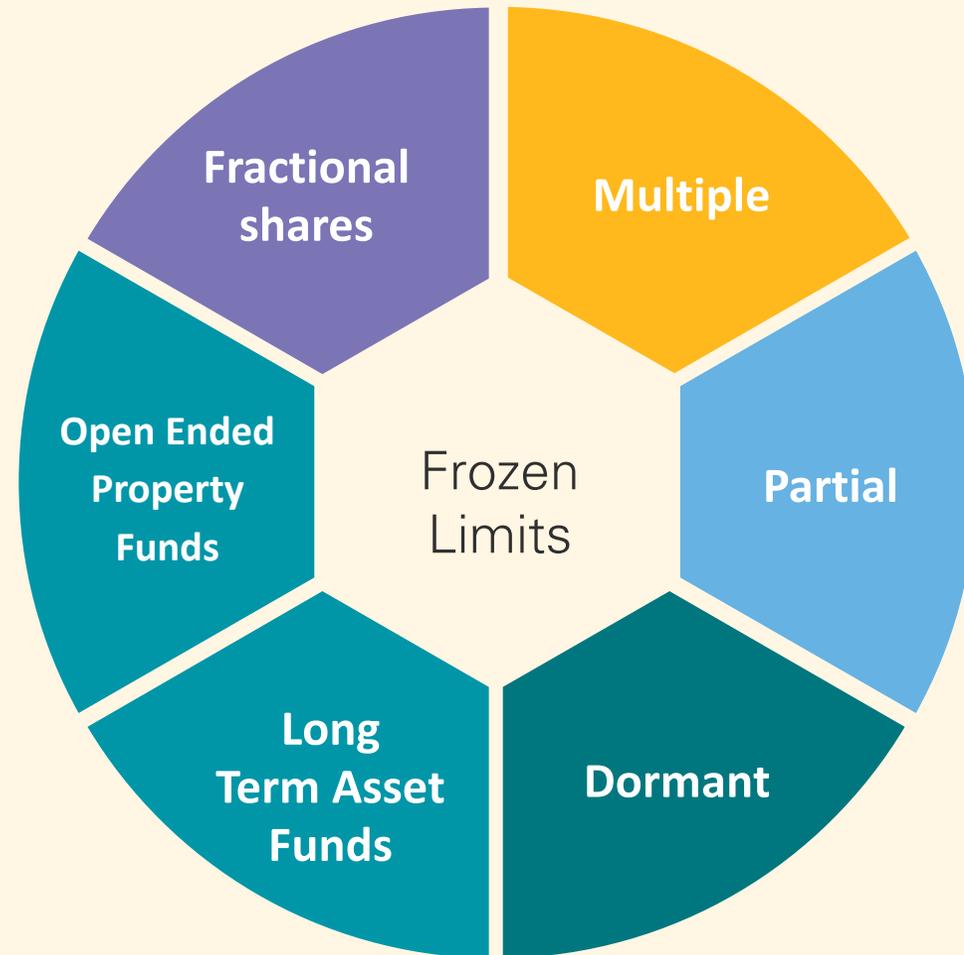


DB Consolidation



Investments and Tax

ISA announcements



Venture Capital Schemes

- EIS
- VCT
- SEIS
- 2035



Policy paper

Autumn Statement 2023: Overview of tax legislation and rates (OOTLAR)

Tax policy announcements at Autumn Statement 2023.

When Rishi was Chancellor

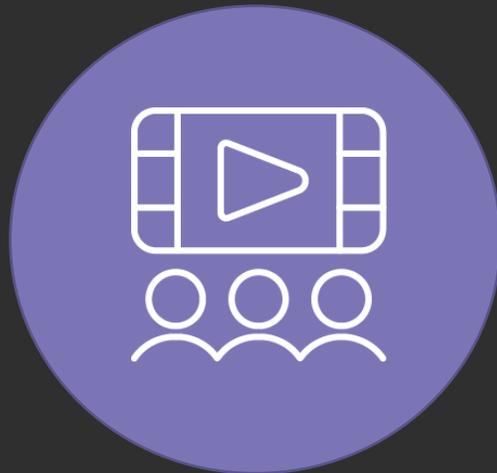
Income Tax rates

Main rates	Tax year 2023 to 2024	Tax year 2024 to 2025
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%

Support



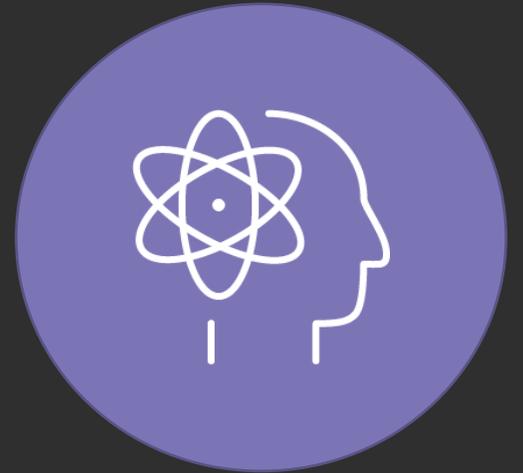
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