

## **BUDGET UPDATE**

In summary below are the points, which effect Pensions, from the Chancellors Budget delivered on 18 March 2015.

### Annuities

The government will legislate from April 2016 to allow people who are already receiving income from an annuity to agree with their annuity provider to assign their annuity income to a third party in exchange for a lump sum or an alternative retirement product.

### Lifetime allowance for pension contributions

The government will reduce the lifetime allowance for pension contributions from £1.25million to £1million from 6 April 2016. Transitional protection for pension rights already over £1million will be introduced alongside this reduction to ensure the change is not retrospective. The lifetime allowance will be indexed annually in line with CPI from 6 April 2018.

### Pension Wise

Additional funding of £19.5m in 2015/16 will be provided to support the new pension freedoms and the new pensions guidance service, Pension Wise. This funding will extend the availability of state pension statement and pension tracing services.

It will also provide for extra delivery capacity for Pension Wise: the Government has put plans in place in case there is a need to draw on Department for Work and Pensions resources to help manage any initial spike in demand for the service.