

Money Purchase Annual Allowance Update

This Bulletin contains information about recent changes to pension's law and regulation which may affect our clients. Please read the information carefully and contact your financial adviser if you have any queries.

During the spring Budget in March 2017 the government announced that the Money Purchase Annual Allowance (MPAA) would be reducing from £10,000 to £4,000 with effect from the 6th April 2017 and legislation to enable this reduction was included in the Finance Bill 2017.

As a result of the snap General Election a number of clauses in the Finance Bill were removed and this included the reduction in the MPAA.

The government has now published the Finance Bill 2017-19 which allows for this change to retrospectively apply from 6th April 2017 and have confirmed that individuals who flexibly access or have already flexibly accessed registered pension schemes will be subject to this reduced £4,000 MPAA. It should be noted that the Finance Bill has not yet received Royal Assent.

Anyone who has flexibly accessed their pension benefits and wishes to make a contribution should carefully consider whether making a payment in excess of £4,000 is appropriate and should seek financial advice.

We will continue to monitor developments and will update our literature and website when further information becomes available.

About this document

This Update is based on our understanding of the recent changes to pension's law and regulation.

Every care has been taken to ensure that it is correct. It is issued by DP Pensions Ltd for use by Pension clients and their advisers.

Please note that DP Pensions Ltd and D A Phillips & Co Ltd are not authorised to give financial advice. We do not know all of your circumstances or details of any other pension schemes of which you are a member. You should contact your financial adviser for help on how this legislation may affect you personally.

No responsibility to any third party is accepted if this information is used for any other purpose. The legislation and HMRC practice may change in the future.

If you have any queries regarding the information in this Bulletin and how it affects your circumstances then please contact your financial adviser.

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