

Press Release

PR/17/09

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Immediate Release

NAPF BUDGET 2009 RESPONSE

In response to today's Budget, the National Association of Pensions Funds' Chief Executive, Joanne Segars, said:

"We welcome the Chancellor's commitment to support pensioners by increasing the capital disregard for the calculation of Pension Credit. However, today's Budget could have done much more to encourage pensions saving and help under-pressure pension funds.

"We are pleased that rumours the Government would abolish higher-rate tax relief – which is an important incentive to save for millions of people - were unfounded. We will be carefully reviewing the proposals to restrict pensions tax relief for those earning over £150,000 to ensure there are no unintended consequences now or in the future. In particular this move must not be allowed to destabilise pension provision for those on lower incomes by disengaging senior executives from company pension schemes.

"We are disappointed that Government has not heeded the NAPF's calls to provide support to employers providing defined benefit (DB) pensions by skewing gilt issuance towards long-dated and indexed linked gilts. The Government has missed an opportunity to help improve pension scheme funding levels and keep DB pensions open through the current recession."

Ends

Notes To Editors

About The National Association of Pension Funds

The NAPF is the leading voice of workplace pensions in the UK. We speak for 1,200 pension schemes with some 15 million members and assets of around £800 billion. NAPF members also include over 400 businesses providing essential services to the pensions sector.

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