

Press Release

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NAPF COMMENTS AHEAD OF HOUSE OF LORDS SUB-COMMITTEE ON RESTRICTING PENSIONS TAX RELIEF

Ahead of her giving evidence¹ (Wednesday 20th May) before the House of Lords' Economic Affairs Sub-Committee, who are considering aspects of the Finance Bill including restricting pensions tax relief, **Joanne Segars, Chief Executive of the National Association of Pension Funds, said:**

"There is a risk that the proposed changes to pensions tax relief could destabilise workplace pensions at a time when they are already under pressure. If senior executives can no longer fully benefit from pension saving, they may disengage from workplace pensions and be less inclined to provide high value pensions for those on average incomes.

"The changes also breach the long established principle of tax-exempt pensions contributions and the policy recently introduced under this Government of pensions simplification.

"We question whether the changes will bring in the £3 billion of tax revenue hoped for as remuneration patterns for highly paid individuals are bound to reconfigure around more tax-efficient options.

"We think the Government should maintain an open mind on whether or not to go ahead with the measures until after it has undertaken a full cost benefit analysis and options appraisal."

In his 2009 Budget, The Chancellor of the Exchequer set out proposals for changes to pension tax relief for UK individuals earning £150,000 or more per year.

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Notes To Editors

1 The meeting of the House of Lords' Economic Affairs Sub-Committee will take place on Wednesday 20 May 2009 in Committee Room 3a (House of Lords) from 3.50pm.

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.

Journalists requiring further information, please contact:

Mark Brooks 020 7808 1312 mark.brooks@napf.co.uk 07917 506683

Ruth Wharram 020 7808 1345 ruth.wharram@napf.co.uk 07825 171446