

## Press Release

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Immediate Release

### **PBR IS ANOTHER PENSIONS TAX GRAB**

#### **NAPF Comments on Pre-Budget Report**

- higher rate tax relief
  - gilt issuance
- public sector pension reforms
  - 2012 pension reforms

Commenting on the effects of today's Pre-Budget Report on pensions, Joanne Segars, National Association of Pension Funds' Chief Executive said:

#### **Overall**

"The Pre-Budget Report is a mixed bag for pensions and it is disappointing that the Government has not done more to help people save for retirement.

"We welcome the additional issuance of long-dated and index-linked gilts that pension schemes need but this is offset by the damaging changes to the UK's established approach to pensions taxation."

#### **Higher Rate Tax Relief**

"This is another pensions tax grab designed to shore up the UK's ailing public finances. A further 70,000 people will be worse off as a result of these changes which do nothing to support pensions saving. It is a further erosion of the long-established tax treatment of pensions in this country."

#### **Gilt Issuance**

"We welcome the Government's decision to listen to the NAPF and skew 95% of the new issuance in gilts towards the long-dated and index-linked end that pension schemes need. This will help secure good pension provision and help the employers that offer them. The Government must continue with this approach in the future."

## **Public Sector Pension Reforms**

“The introduction of a cap on employer contributions to public sector pensions is one way of helping them deal with the costs associated with people living longer. Such caps already exist in a number of schemes. Public sector pensions need to adapt to remain sustainable. The announcement to raise the contributions for those high-earners in the public sector will only achieve very small savings.”

## **2012 Pension Reforms**

“We welcome the commitment to press ahead with the 2012 pension reforms. However, we are disappointed that their full implementation will be delayed. Although the start of the new automatic enrolment regime remains as 2012, it will not be fully operational until 2017, a year later than planned. We need to get more people saving for their retirement as quickly as possible.”

**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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