

Autumn Budget

As you will be aware, the new Government's Autumn Budget was delivered on 30 October 2024. There were fewer changes announced in respect of pensions than many anticipated (for example, the state pension triple lock is being maintained and employer pension contributions won't be subject to National Insurance).

However, the Autumn Budget did announce one significant change to pensions, which is to expand the inheritance tax (IHT) regime to cover various benefits paid on the death of a pension scheme member. This change is expected to be introduced from April 2027 and a Government consultation on its implementation is currently running until 22 January 2025. We understand that the change is not expected to impact dependants' pensions or death in service benefits payable by the Scheme. However, lump sums payable on the death of deferred and pensioner members are expected to fall within the IHT regime from 2027.

We don't yet have much detail on the scope of this change or how much it will impact the Scheme. There will be various practicalities and legal challenges to overcome, so the final position might not be the same as the current proposals. However, we are likely to have a better idea of the potential impact on the Scheme and its members once the consultation closes and the Government issues its response. The Trustees will be monitoring the consultation and subsequent developments closely and will work with their advisors to consider the impact of any changes on the Scheme.

Issued by The trustees of the Scottish Enterprise Pension & Life Assurance Scheme, c/o Andrew Keron,
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