



No summer Budget, but...

The general election left the future of many spring Budget announcements up in the air, but that situation may soon change.

When Theresa May announced her snap election in April, it threw a major spanner in the previous month's Budget. There was no time to pass the 776 pages of Finance Bill before parliament shut down. The result was that about 80% of the Bill was removed and its uncontroversial residue passed through parliament in a few days. At the time it was anticipated that following the election the Chancellor – not necessarily Mr Hammond – would reveal a Summer Budget, just as his predecessor did in 2015. The second Budget of the year was expected to reinstate the lost measures and add a few more that were best left until after the polls closed.

It did not quite work out that way, as we all know. Mr Hammond has remained in place at 11 Downing Street and in June told Andrew Marr "...there's not going to be a sort of summer Budget or anything like that, there will be a regular Budget in November as we had always planned...". Shortly after that appearance, the background notes to the Queen's Speech revealed that there would indeed be a Summer Finance Bill, even if there was no Budget.

A tight timetable

The new Bill will incorporate "a range of tax measures including those to tackle avoidance", but precisely what those measures will be or when the Bill will emerge is unclear. The Treasury has a record of stretching seasonal limits when it comes to publications and will not be helped by the parliamentary timetable, which arrives at the summer recess on 20 July. Parliament resumes on 5 September, but only for nine days before the conference recess, which runs until 8 October.

One planned-and-abandoned/deferred measure which could be relevant to you is the reduction in the money purchase annual allowance. This generally operates when pension contributions are being made at the same time as benefits are (or have been) being drawn. If you think this might affect you, it is vital you check the current situation with us before taking any action.

The value of tax reliefs depends on your individual circumstances. Tax laws can change. The Financial Conduct Authority does not regulate tax advice.

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