



## Finance Acts 2017: the sequel?

**The long-running saga of the final spring Budget and subsequent Finance Bills is one step nearer the end.**

The Chancellor's spring Budget was thrown into disarray by the snap election. It was billed as the last spring Budget, since from now on all Budgets will be autumn events. However, only about a fifth of the Budget's proposals made it onto the statute book before Parliament shut up shop ahead of the election. The question of what would happen to the four fifths lost in action has been up in the air ever since.

It was (and is) an important question because large parts of the missing legislation were originally intended to take effect for this tax year from 6 April 2017. A good example is the proposed 60% reduction in the money purchase annual allowance (MPAA) to £4,000, which could affect you if you both draw pension income and your (and/or your employer) also make pension contributions. In theory, the current £10,000 limit still applies, but in practice acting on such a premise could be an expensive mistake should the proposed change eventually be enacted with an April 2017 start date.

### **Autumn Finance Bill on the cards**

A week before the politicians left Westminster for their summer holidays, some clarification emerged in a written statement from the new Financial Secretary to the Treasury. The Government will "introduce a Finance Bill as soon as possible after the summer recess containing the withdrawn provisions". The start date for provisions "will be retained", meaning the £4,000 MPAA will be backdated to the start of the current tax year. This assumes that the Government will succeed in passing the Bill, which is not 100% guaranteed, even with DUP support pledged for Budget measures. As the Chancellor learned during the March Class 4 NICs battle, the best laid plans can falter in the face of backbench opposition.

At least there is now some greater certainty about the shape of the tax legislation. If you have been delaying any planning action while waiting for the dust to settle, now is the time to start talking to us. You might also want to discuss whether any pre-(autumn) Budget planning is necessary...

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**BlackStar Wealth Management  
17 Wrens Court, Lower Queen Street, Sutton Coldfield, West Midlands, B72 1RT**

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