



Unfortunately, the outlook is negative. The government has confirmed that most unused pensions will be subject to inheritance tax (IHT), and it also plans to review the State Pension Age (SPA).

On top of this comes the news that almost half of working-age adults are not making any provision for a private pension.

Unused pensions

The government has published draft legislation to take effect from 6 April 2027. The change will see most unused pension death benefits brought into charge for IHT purposes, although one change has been made in response to industry feedback. All death-in-service benefits will now be excluded from the charge to IHT.

State pension age

By March 2028, the SPA will have increased to 67. The next planned increase to age 68 is set to take place between 2044 and 2046, impacting those born on or after 6 April 1977. There have been recommendations that this timeline be brought forward, but any further changes have until now been shelved due to recent uncertainty about life expectancy.

However, with the government's recent announcement of the next review of the SPA, further increases are possible.

Lack of pension provision

The government not surprisingly is very concerned about the number of people not saving privately for a pension:

- Low earners and the self-employed are less likely to be contributing to a pension, with more than three million self-employed people without such savings.
- The situation is worse among women and some ethnic groups.
- Overall, some 40% of people are currently not saving enough for their retirement.

For a moderate lifestyle, it is estimated that a single person currently requires nearly £32,000 a year, with nearly £44,000 required for a couple; the full State pension is just under £12,000.

These latest findings come despite employees being automatically enrolled into pension saving. The relaunched pensions commission will therefore look at what is preventing greater pension saving, reporting back in 2027.

The currently legislated timetables for SPA can be found [here](#).

We can help

If you require further information, please call us on **01753 888 211** or email info@nhllp.com. We are here to help.