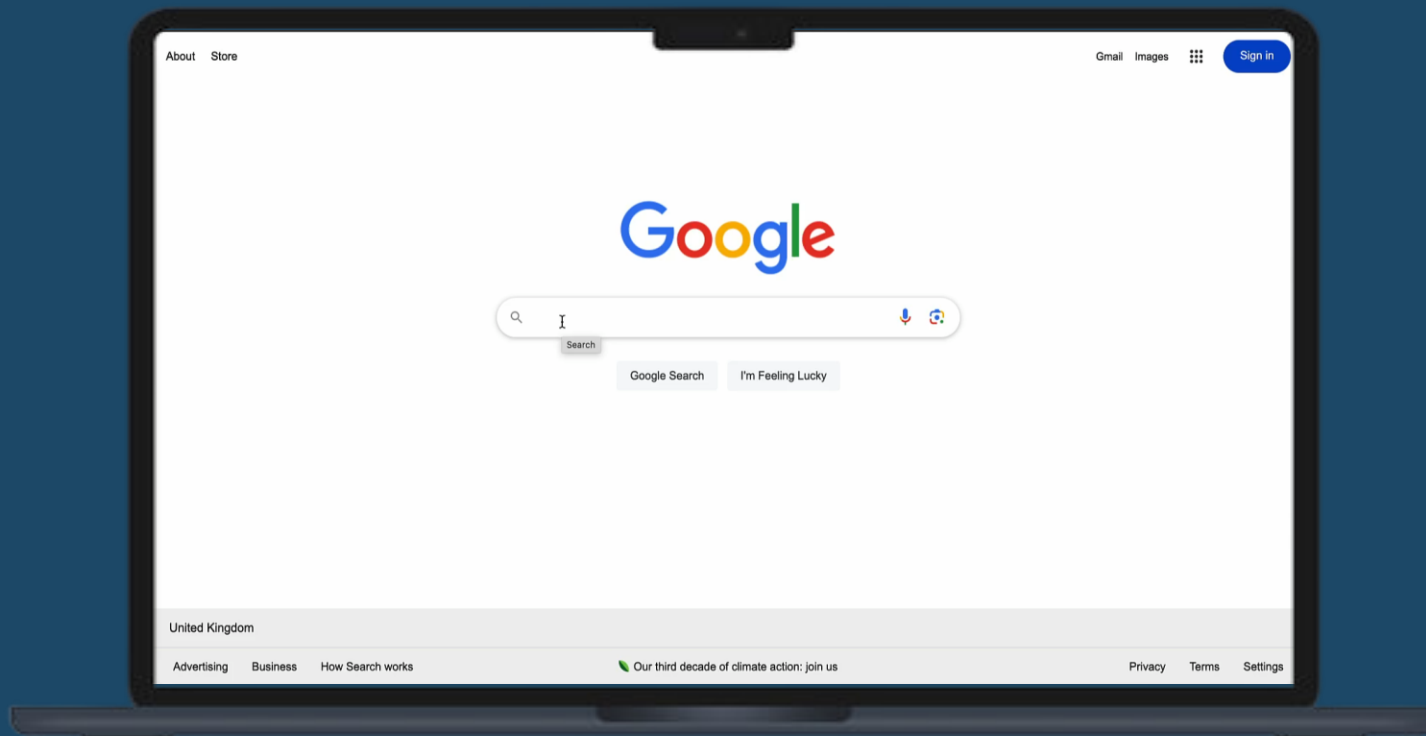




# Financial guidance is overwhelming

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# The Future is AI

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# AI Challenges

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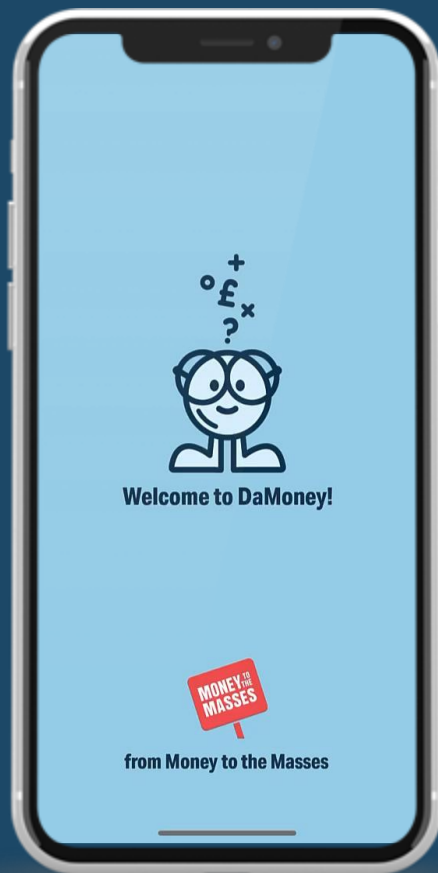
- Accuracy
- Copyright / Data Ownership
- Cost
- Privacy
- Trust
- Regulation / Compliance

# DaMoney - AI financial guidance



# DaMoney

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# How have pensions been impacted by the the changes in the autumn budget today – 8pm Budget Day – DaMoney <sup>(i)</sup>

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The recent Autumn Budget 2024 has introduced significant changes regarding pensions, particularly concerning inheritance tax. Here are the key points:

## Key Changes to Pensions and Inheritance Tax

**Inheritance Tax Inclusion:** From 6 April 2027, defined contribution pensions will be included in a deceased person's estate for inheritance tax (IHT) purposes. This marks a shift from the current rules where pensions are not subject to IHT.

## Current IHT Rules:

Currently, if you die before age 75, your defined contribution pension can be passed on tax-free. If you die after 75, while the pension itself is not subject to IHT, withdrawals by beneficiaries are taxed at their marginal income tax rate.

## Impact of Changes:

The government estimates that this change will affect about 8% of estates annually, generating significant additional tax revenue (approximately £640 million in 2027/28, rising to £1.46 billion by 2029/30).

## Consultation Period:

There will be a consultation period until 22 January 2025 to discuss the transition to these new rules, with legislation expected later in 2025.

# How have pensions been impacted by the the changes in the autumn budget today – 8pm Budget Day – DaMoney <sup>(ii)</sup>

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## Implications for Pension Holders

### Planning Strategies:

The changes may lead individuals to reconsider how they draw income from their pensions and how they plan their estates. Strategies may include:

- Drawing down pension funds earlier and gifting them to reduce the taxable estate.
- Considering regular gifts from surplus income, which are exempt from IHT as long as they do not affect the giver's standard of living.

### Advice Recommended:

Those affected should seek financial advice to navigate these changes effectively .

For more detailed information, you can read the full article on the Money to the Masses website [here](#).

Related Articles:

[New National Insurance cuts: How much better off will you be?](#)

[Understanding Inheritance Tax: A Guide](#)

Further Questions to Consider

- How can I effectively plan for inheritance tax with the new pension rules?
- What are the best strategies for drawing income from my pension?
- How will these changes affect my overall estate planning?

The above is for information purposes only. Always seek [professional advice](#) for your own situation.



# How have pensions been impacted by the the changes in the autumn budget today – 8pm Budget Day - ChatGPT

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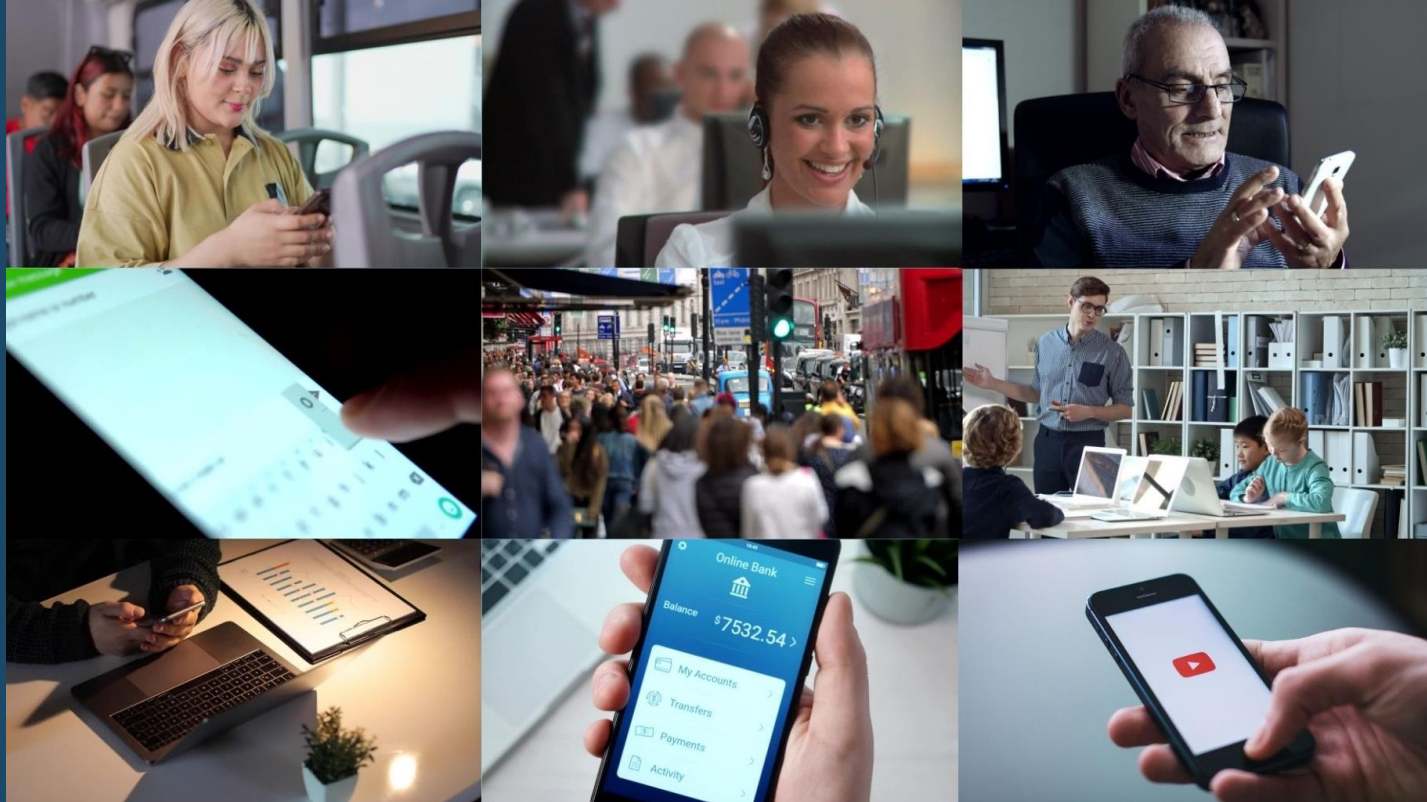
The UK Autumn Budget, announced by Chancellor Rachel Reeves, includes several notable changes impacting pensions. Most significantly, starting in 2027, inherited pensions will be brought into the scope of inheritance tax (IHT), meaning that pension assets passed down after death will be taxable as part of the estate. This shift removes a previous IHT exemption and could influence pensioners to spend or gift more of their savings during their lifetime to avoid future tax burdens on their heirs

Additionally, the government is considering lowering the tax-free cash allowance for pensions, currently capped at 25% of the pension pot (up to £268,275). Proposals suggest reducing this allowance to £100,000, which would significantly increase the tax liabilities on pension withdrawals and potentially discourage large withdrawals by retirees. These changes are viewed as a move to make the tax system more progressive by targeting wealthier pensioners, although they are also prompting some savers to take their tax-free cash sooner to avoid future policy adjustments

Finally, Reeves is also reviewing employer contributions to pensions, potentially introducing National Insurance contributions on these payments. This could lead employers to rethink pension funding strategies, possibly affecting employee retirement contributions.

Collectively, these adjustments aim to generate additional revenue for the government but may also prompt shifts in retirement planning to optimize tax outcomes and inheritance strategies

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**YOUR MONEY QUESTIONS ANSWERED**

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