

## Robert Graves

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**From:** Robert Graves  
**Sent:** 07 April 2010 17:15  
**To:** 'jonessian@parliament.uk'; 'hammondp@parliament.uk'; 'mail@markhoban.com'; 'nigelwatersonmp@parliament.uk'; 'mayt@parliament.uk'  
**Subject:** Finance Bill  
**Attachments:** AMPS response to ConDoc Restricting pension tax relief.pdf  
**Importance:** High

I am contacting you in relation to progression of the Finance Bill and in particular to appeal to the Conservative Party to seek to remove relevant legislation relating to restricting pensions tax relief.

The Association of Member-Directed Pension Schemes (AMPS) has been heavily involved throughout the consultation process regarding this proposed legislation and is deeply concerned about this legislation being passed without proper Parliamentary debate.

It is understood that in the normal course of events legislation will come under the scrutiny of Parliament, particularly during the committee stages of a Bill. However, due to the General Election having been called, the Finance Bill is being fast tracked such that there will no longer be full and proper debate on the legislation.

It is also understood that it is expected that under these circumstances it is normal to strip down the Finance Bill to the more straight forward and essential pieces of legislation so that fast tracking can be facilitated through cross party agreement. However, the sections relating to the complex changes proposed to restrict pensions tax relief (In the main covered under Schedule 3. Pensions: High Income Excess Relief Charge) have not been removed.

We make the appeal that this legislation should be removed from this Finance Bill on the following grounds.

- this is very complex legislation that should be subject to proper scrutiny of a formal committee stage.
- during industry consultation meetings concerns about complex legislation being rushed through were appeased by the fact that in the normal progress of legislation, the committee stages in particular, provide a further mechanism of debate and opportunity for amendment, which has now effectively been by-passed.
- the extent of industry consultation is testament to the complexity as is the Technical Guide – Pensions: High income excess relief charge, issued by HMRC on 1st April which runs to some 74 pages in order to explain these changes.
- the near unanimous response from the industry consultation is that the legislation needs further consideration, in particular full and proper consideration of using a mechanism of a reduced annual allowance, if only as an interim measure to make similar tax savings to that of the proposed legislation, until a post General Election Government can formulate a stable, long term pensions strategy.
- continued and ill-thought through tinkering of pensions legislation year on year is extremely damaging to the public's faith in saving for retirement through pension arrangements.
- it is not due to be effective until 2011 and therefore its removal from this Finance Bill does not affect tax changes due to be effective for this tax year and could still be included in a Finance Bill No2 following the General Election which would be passed through the normal Parliamentary process, including detailed debate at committee stages.

AMPS, in its response to the consultation paper (copy attached) clearly recognises the Government's concerns about the amount of tax relief associated with pension contributions made by, or on behalf of, higher earners and for this reason is not simply rejecting the legislation per se but in line with the overwhelming majority of other

pensions related trade bodies has put forward alternative propositions to achieve similar objectives but which would be less complex to implement.

We also appreciate that as this legislation is aimed at restricting pension contribution tax relief for higher earners this could be a delicate matter for the Conservative Party to propose removal of this legislation from the Finance Bill. However, our plea is not for the removal of this legislation to protected tax relief for high earners but to ensure that there is proper time given to debating the best mechanism to achieving the objectives. Given that, as already stated, the vast majority of the pensions industry has called for further investigation into alternative mechanisms, for example a reduction in the Annual Allowance, but that the current Government has chosen to ignore this call, we are simply calling on the Conservative Party to listen to the industry, in respect of the consultation process, and allow further and proper debate on this measure by calling for its removal from this Finance Bill.

I appreciate that this is a last minute appeal but if you require any further information please do not hesitate to contact me.

**Robert Graves**  
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