

Pensions update

R08: 2017–18 edition

Web update 3: 14 February 2018

Please note the following update to your copy of the R08 **2017–18** study text:

Pensions advice

The plan to introduce a new income tax exemption to cover the first £500 of pensions advice provided by an employer to an employee was initially dropped from **Finance Act 2017**. It was reintroduced in **Finance (No. 2) Act 2017** and takes retrospective effect from 6 April 2017. The exemption replaces a previous, more restrictive exemption, which was limited to £150.

This change affects the following sections:

- Chapter 1, section A2, page 1/6.
- Chapter 4, section C3, page 4/10.

Dividend allowance

Finance (No. 2) Act 2017 reinstated that the dividend allowance will be reduced from £5,000 to £2,000 from the tax year 2018/19. It remains at £5,000 for 2017/18.

This change affects the following sections:

- Chapter 1, section A2, page 1/6.
- Chapter 1, section B1B, pages 1/25–1/27.
- Chapter 4, section C3, page 4/10.