

Pensions administration

FA2: 2017–18 edition

Web update 1: 18 August 2017

Please note the following updates to your copy of the **FA2** study text:

Change to money purchase annual allowance



Be aware

The Government has announced that the second 2017 Finance Bill to be introduced in the autumn will legislate for policies, such as the reduction of the money purchase annual allowance (MPAA), that have already been confirmed as applying from the start of the 2017/18 tax year. The dates of application will be retained and applied as originally announced. Examinations from 1 September 2017 onwards will, therefore, test on the basis that the reduced MPAA applies for the 2017/18 tax year.

This change affects the following sections:

- Chapter 2, section A3, page 2/3.
- Chapter 2, section D2, page 2/8.
- Chapter 2, section D3, page 2/10.

Change to State pension age



Be aware

The Government has announced that, following its decision to accept the recommendations of the Cridland report, the rise in the State pension age (SPA) to 68 will now be phased in between 2037 and 2039. This is instead of two years starting in 2044, as is currently legislated for in the Pensions Act 2007. The change will affect anyone born between 6 April 1970 and 5 April 1978. The Government also announced it would carry out a further review, which is due in July 2023, before legislating to bring forward the new rise in the SPA. Candidates should ensure they stay up to date with developments.

This change affects the following section:

- Chapter 1, section A1, page 1/3.