LONDON & COLONIAL

Autumn Budget 2026

Fiscal Measure	Change	Effective	Impact Analysis
Inheritance Tax: Pension Funds and Death Benefits	Following on from Autumn Budget 2024: Most unused pension funds and death benefits will be included within the value of a person's estate for IHT purposes.	April 27	Creates an opportunity for individuals whose assets, including pension funds, exceed the IHT nil-rate band. The FPA will enable them to lift their pension assets out of their estate. Should they die prematurely, having purchased a Preference Share, any residual funds in their Cell will pass to their taxable estate and those funds may qualify for Business Relief (BR).
Inheritance Tax: Nil-Rate Bands	Following on from Autumn Budget 2025: Maintain the nil-rate band, residence nil-rate band from April 2030 until April 2031	April 2030 to April 2031	While the NRB and RNRB remain fixed until 2031, a higher number of estates (which matches LCA's target customers) may be drawn into a higher IHT liability if their homes increase in value at an accelerated pace.
Personal Tax	Following on from Autumn Budget 2025: Maintain the personal income tax and equivalent national insurance thresholds at current levels until April 2031	April 2026 to April 2031	Find out more about our flexible annuities.
Enhancing HMRC's powers and sanctions against tax adviser facilitated non-compliance	Following on from Autumn Budget 2025: The government has introduced enhanced powers and sanctions to tackle tax advisers who facilitate non-compliance from 1 April 2026.	April 27	LCA's annuities are designed to provide retirement income and should be considered on that basis. Any potential tax treatment will depend on individual circumstances and prevailing legislation. Please seek appropriate financial and tax advice where required.
IHT Trust Liability Reforms	Anti-avoidance provisions and tighter treatment of liabilities within trusts.	28 Oct 26	Traditional estate planning structures become more closely scrutinised.

Fiscal Measure	Change	Effective	Impact Analysis
Savings Income Tax:	Savings income to be taxed at 24%, 44% and 49%	Apr 27	Higher tax drag on cash deposits and taxable investment holdings.
Property Income Tax Rate Increase	Property income to be taxed at 24%, 44% and 49%.	Apr 27	Landlords and property investors face higher effective taxation.
High Value Council Tax Surcharge	Additional charge on residential properties worth £2m+	Apr 28	Additional costs for affluent households

* A rise in these taxes, especially as they will affect LCA's target market and current cohort of medium to high-net worth customers, will mean a greater need to manage income and tax liabilities. LCA's flexible annuities and International Bond will continue to address these challenges given the jurisdictional advantages of operating out of Gibraltar, including the tax favourability, and LCA's investment-linked open architecture approach.

For further information, please contact your dedicated business development manager or email sales@lcalife.co.uk

LONDON & COLONIAL

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