XPS Pensions Group

XPS Insights
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General election 2024: What do the parties' manifestos say about pensions?

What you **need to know**

- As part of the run-up to the general election to be held on 4 July 2024, the various political parties have published their manifestos.
- The Conservatives have confirmed their intention to implement the Mansion House reforms, whilst Labour plans a review of the pensions landscape to consider how to increase investment in UK markets.
- Whilst Labour and the Liberal Democrats have pledged to maintain the state pension triple lock, the Conservatives have gone one step further with the 'Triple Lock Plus'. The Green party is the only party so far to say it would replace the triple lock with a double lock linked to earnings and inflation. It would also reduce pensions tax relief to the basic rate of income tax for all.
- Labour's manifesto has no plans to reintroduce the lifetime allowance, which would appear to confirm earlier reports in the press that the party had dropped such plans if elected.
- Meanwhile, the Liberal Democrats are concentrating on improving social care, including making sure working-age carers can properly save for retirement.

The key pensions-related policies at a glance

Policy area	Policy included by Conservatives?	Policy included by Labour?	Policy included by Liberal Democrats?
State pension – triple lock	Yes ('Triple Lock Plus')	Yes	Yes
Pensions taxation	Yes ('Pensions Tax Guarantee')	No specific policy	No specific policy
Scheme investments – productive finance	No specific policy, although would expect progress on consultations and plans that are already underway	Yes	No specific policy
Climate change and ESG	No specific policy	Yes	Yes
Consolidation / pot follows member	No specific policy	Yes	Yes
Compensation for WASPI (i.e. women born in the 1950s who are affected by state pension age changes)	Work with Parliament to provide an 'appropriate and swift response'	No specific policy	Ensure WASPI are treated fairly and properly compensated

The finer detail: Key pensions-related policies

Policy area	Conservatives	Labour	Liberal Democrats	Other parties
State pension	1) Introduce the 'Triple Lock Plus', guaranteeing that both the state pension and tax-free personal allowance for pensioners always increase by the highest of inflation, earnings or 2.5%. 2) Ensure the self-employed remain entitled to a full state pension, despite plans to abolish main rate of national insurance (NI) contributions.	Maintain the triple lock.	1) Maintain the triple lock. 2) Improve the state pension system by investing in helplines to ensure faster responses to queries and resolve underpayments. 3) End 'scandal' of lost top-up payments by overhauling processing system and providing proper receipts.	The Green Party plan to replace the triple lock with a double lock linked to earnings and inflation.
Pensions taxation	Launch the 'Pensions Tax Guarantee' to: 1) not introduce any new taxes on pensions; 2) not extend NI to employer pension contributions; 3) maintain both the 25% tax-free lump sum and marginal rate tax relief on pension contributions.	No specific policy	No specific policy	The Green Party plan to reduce pension tax relief to the income tax basic rate for all.
Productive finance – UK growth and improving pension saving and member outcomes	Support the City of London through implementation of the Mansion House reforms. We would also expect there to be progress on consultations and plans that were already underway when Parliament was dissolved.	Review pensions landscape to consider steps needed to: 1) improve retirement security; 2) deliver better returns for savers and pensioners; 3) increase productive investment in the UK economy.	1) Develop measures to end gender pension gap in pensions savings. 2) Review pension saving eligibility rules so that those in the gig economy do not miss out. 3) Ensure working-age carers can save properly for retirement.	Reform UK plan to review the pensions system as a whole and to launch a model that brings 50% of British utility companies into public ownership with the other 50% owned by UK pension funds.
Climate change and ESG	No specific policy	Mandate pension funds to develop and implement credible transition plans that align with Paris Agreement goals.	1) Require pension funds and managers to show portfolio investments are consistent with Paris Agreement goals. 2) Create new powers for regulators to act if banks/other investors do not manage climate risk properly.	The Green Party would require UK pension funds to remove fossil fuel assets from their investment portfolios by 2030.
Consolidation / pot follows member	No specific policy	Adopt reforms to ensure schemes take advantage of consolidation and scale.	Review rules concerning pensions to protect portability between jobs.	

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