

Your Prudential Pension Newsletter - Autumn Budget 2025

What the Autumn Budget 2025 means for you and your pension

You've likely seen the headlines about the Autumn Budget - but what really matters for you as a pension scheme member? We've pulled out the key points that could affect your retirement savings and explained what they mean in practical terms, plus where to find support if you need it.

Salary sacrifice cap - coming in 2029

From April 2029, the total amount of employee pension contributions made through salary sacrifice that are exempt from National Insurance contributions will be capped at £2,000 a year. Salary sacrifice gives you the option to divert a portion of your salary straight to your pension – giving you income tax and national insurance relief. So if you 'sacrifice' less than £2,000 a year at the moment, this change won't affect you. Even so - this change is a few years away, and salary sacrifice will remain one of the most tax efficient ways to save for retirement.

Income tax thresholds will stay as is – until at least 2031

Income tax thresholds will stay frozen until 2031, gradually pushing more people into higher tax bands - effectively reducing take home pay. With the State Pension due to rise in coming years, expected to exceed the Personal Allowance from 2027–28 - some retirees may pay tax on their State Pensions (there will be more guidance to follow from the government here over time). Again, taking a look at your pension and making sure you're on top of your tax efficient allowances will be key to making the most of your money.

State Pension will increase

The full new State Pension will rise by 4.8% in April 2026, bringing it to £12,547.60 a year.

Inheritance Tax on Pensions from 2027

You may remember we wrote about this in last November's newsletter. As a reminder, from April 2027, unused pension savings and death benefits may count towards your estate for inheritance tax purposes. More details will follow nearer the time, and we'll keep you posted through our updates.



Read more here: [MoneyHelper Autumn Budget blog](#)

Hear from our own M&G pensions expert: [View short film \(1min: 21secs\)](#)

Read the highlights? Now see what they mean for you

Understanding the budget is one step - logging in to check your own pension is the next. Discover how easy it is to manage everything online and explore simple tools that help you plan with confidence.

- Check how your plan's looking – track the current value
- Estimate your pension income with our forecasting tool
- Change your fund choice (if your scheme allows) and get in touch via Live Chat



To keep on top of your plan, add a shortcut for the online service to your mobile home screen – [here's how](#)
[Login today](#) or [Register here](#)

Support that's here when you need it

Changes - whether in the economy or in your personal circumstances - can feel overwhelming. That's why we've created our [Care and Support Hub](#), designed to help you and your loved ones when you need it most. Inside the Hub, you'll find:

- Clear guidance on how we can help during life events or if you're worried about money
- Links to trusted charities and resources for extra support, information, and financial advice



[Visit our Care and Support Hub](#) whenever you need it

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