# Labour Leader Keir Starmer Mistakenly Suggests Changes to Pension Policies



Political

Labour Leader Keir Starmer made an error regarding pension policies during an interview on BBC Radio 5 Live. When asked if Labour would remove the option to take a 25 per cent tax-free lump sum from pensions, Starmer incorrectly stated that the option would expire and not be renewed.

Following his comments, Labour's spokesperson clarified that the tax-free lump sum is a permanent feature and there are no plans to change it. The current rules, introduced in April, cap this lump sum at £268,275.

The Conservative Party has used this mistake to suggest Labour has undisclosed plans to increase taxes, particularly targeting pensioners. Labour insists the error was merely a mistake and reaffirms that they have no plans to change the existing system.

Labour has ruled out increases to income tax, national insurance, VAT, and corporation tax, leading to speculation about potential tax changes under their governance. The party is committed to higher taxes on private schools, private equity bosses, non-doms, and oil companies, but has made no firm promises on issues like capital gains tax or pension tax relief.

Experts like Sir Steve Webb, a former pensions minister, believe it is politically unlikely to abolish the tax-free lump sum, though adjustments to its cap could be possible.