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Meg Hillier MP
Chair of the Committee of Public Accounts
House of Commons
London
SW1A 0AA

By email to pubaccom@parliament.uk

Dear Chair,

Public Accounts Committee

I am writing further to the commitment I made during my appearance in front of the Public Accounts Committee on Wednesday 10 June, to follow up on Nick Smith MP's question on pensions tax relief and employer automatic enrolment schemes.

The Government recognises the different impacts of the two systems of paying pension tax relief on pension contributions for workers earning below the personal allowance.

HMRC estimate that 1.5m individuals earning below the personal allowance in 2017-18 made workplace pension contributions using net pay arrangements. About 75% of these individuals are estimated to be female and 25% are estimated to be male.

HMRC also estimate that 1.3m individuals earning below the personal allowance in 2017-18 made workplace pension contributions using relief at source

arrangements. About 65% of these individuals are estimated to be female and 35% are estimated to be male.

At Budget 2020, the Government announced a call for evidence will be published on pensions tax relief administration. In the light of COVID-19, the Government is considering the publication of this and other Government documents on a case by case basis, taking into account the impact of COVID-19 on stakeholders, and will provide more information on the timeframe for publication of this call for evidence in due course.

The Government has sought to support low earners through a range of measures, including increasing the personal allowance to £12,500 and committing to a new ambitious target for the National Living Wage – a measure which will disproportionately benefit women.

I hope this is helpful.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'B. Russell'.

Beth Russell
Director General – Tax and Welfare

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