

# Pension inequality: why do we subsidise the savings of ...

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The [TUC was one of the sponsors of a new report on pensions](#) out this week. I need to give this issue some more attention again, but one matter highlighted jumped out:

*Basic rate taxpayers make more than half of total pension contributions in the UK, but receive less than a third of pensions tax relief expenditure. More than half of expenditure goes to higher rate taxpayers, and 17 per cent to additional rate taxpayers, but these groups make only 37 per cent and 9 per cent of total contributions respectively.*

Try as I might I can see no justification at all for subsidising the savings of the rich at a higher rate than the savings of those on lower income. The time for higher rate tax relief on pensions has long gone. A courageous government would say so, now.