# Creating a secondary annuities market

Personal tax

01 December 2016

LITRG highlights that the government has now cancelled proposals to create a secondary annuities market.

The government has been consulting on the development of a secondary annuities market which would have, with effect from April 2017, allowed people who had already exchanged their pension savings for an annuity to sell this to a third party. This would have brought annuitants in line with others who, from April 2015, have been able to take advantage of greater 'pensions freedom'.

But on 18 October 2016, the government announced that they were cancelling these plans. The Low Incomes Tax Reform Group (LITRG) had previously welcomed the proposal to develop a secondary annuities market as, together with Tax Help for Older People, LITRG is aware of many cases of pensioners being stuck with low-value and administratively complicated (due to confusions they create within the PAYE system) annuities.

Although LITRG understands the difficulties the proposed secondary annuities market faced in creating a comprehensible system for assessing fair prices for sellers without forcing them to spend a disproportionate amount on financial advice, nevertheless LITRG hopes the door is not yet firmly closed. More work could perhaps be done on developing something similar so that those trapped in unfair or useless annuities could be restored to the same position as those who are now benefiting from pensions freedom.

The government announcement on the cancellation can be found on GOV.UK.