

# Labour defends pensions tax raid as a 'tough choice' but worth it

Jonathan Ashworth says reinstating cap on lifetime savings is important to show a new government will be prudent with nation's finances

By [Will Hazell](#) 22 April 2023 • 6:00pm



John Ashworth, the shadow work and pensions secretary, said that 'taxation has to be fair' and that 'in politics we have to take tough choices' Credit: Geoff Pugh for The Telegraph

Labour would make the "tough choice" [to carry out a tax raid on pensions](#) to show it is "prudent" with the national finances, the shadow work and pensions secretary has said.

Jonathan Ashworth said the party would reintroduce a cap on lifetime pension savings because it will "always be responsible with the public

finances”.

In last month’s Budget, Jeremy Hunt, the Chancellor, [announced that the cap would be abolished](#) as part of reforms designed to encourage older people - particularly doctors - to stay in the workforce.

However, Labour has pledged to reinstate the £1,073,100 cap, saying its removal only benefits the “top 1 per cent” of workers.

Speaking to the Telegraph during a campaign visit to Ramsgate in Kent [for the local elections](#), Mr Ashworth defended the decision, saying “taxation has to be fair”.

“In politics we have to take tough choices,” he said. “The Labour Party will always be absolutely prudent and sound with the public finances.”

He pointed to the financial turmoil which followed [autumn’s tax-cutting “mini budget”](#) as evidence for why a Labour government would have to reimpose the charge.

“We saw what happened under Kwasi Kwarteng and Liz Truss when a government is cavalier and irresponsible with the public finances,” he said. “We’re still living with the consequences of that, as millions of people have to remortgage this year and will be paying eye watering sums.”

## **Fears of race to retire**

Labour’s policy has led to warnings that there could be a “stampede” of people saving into their pensions today and retiring ahead of the next general election in anticipation of a change in the rules.

However, Mr Ashworth played down such fears. “I don’t accept that people will game the system,” he said.

Launching his own attack on the Tories, he said Rishi Sunak had a “notable

record for increasing tax on working people", including by freezing income tax thresholds.

"He's always wriggling in new tax increases on working families," he said. "We did not think it was the fair choice when working families are paying more in tax and struggling to get by to offer a £1 billion pound tax break to the highest earners."

In his role as shadow work and pensions secretary, Mr Ashworth has vowed to boost the number of people in employment by embedding careers advisers in health settings, such as mental health and addiction services.

During his visit to Ramsgate, Mr Ashworth met several ex-offenders who had received support to deal with alcohol problems and get work ready.

## **Helping alcohol addiction a personal passion**

Mr Ashworth has campaigned passionately on the issue of alcohol addiction because of his own experience of having a father, Jon, who died of alcoholism.

He said: "It's extraordinary the amount of people who are impacted by this who don't want to talk, because of the sense in which if you criticise alcohol abuse, people worry that you're sort of boring, or a party pooper or something like that.

"But there are so many families for which alcohol is not fun. In my own circumstance it never led to domestic abuse or anything like that... it was just sort of constant and tiring, frustrating and soul destroying.

"It was just a constant feature of one's life growing up. I don't want to say it was manageable, because it led to my dad's death when he was 60. That's no age to die, is it? But I sort of got on with it because you do when you're a child."

He added: "People should not be written off if they've got an alcohol problem."

In the interview, Mr Ashworth also [defended controversial attack adverts by Labour](#) suggesting that Mr Sunak did not want to jail those convicted of child sex offences.

He said the ads "punch hard" but that it was "legitimate" to highlight the issue because "people think that criminals are getting away with it".

Asked about [an apparent narrowing in the polls](#), he said he "never believed" polls showing "big, big leads" for Labour in the aftermath of the collapse of the Truss government, adding that the general election would be a "close fight".

He also committed to not means testing a range of entitlements for pensioners such as winter fuel payments and free TV licences and bus passes.

"Britain's retirees can feel confident that I've got their backs," he said.