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Make firms pay more in tax if they hand their bosses' huge pension gains, demands former minister

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PUBLISHED: 23:07, 12 February 2019 | UPDATED: 12:43, 13 February 2019



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Firms which give their boss a lucrative pension while ordinary staff miss out should pay more tax, a former minister has said.

At present all companies can limit tax bills by writing off pension payments as an expense.

But Baroness Ros Altmann has argued that this should not apply unless ordinary staff get the same as senior



executives.

In some cases it would land firms with bills running to tens of millions of pounds.

It comes after **we revealed how some of Britain's biggest companies have far more lucrative pension schemes for their chief executives** than regular staff.

At Lloyds, boss Antonio Horta-Osorio is given £565,000 towards his pension, 46 per cent of his £1.2million annual salary. Ordinary staff get 13 per cent at most, and only if they put away 5 per cent of their salary.



Baroness Ros Altmann believes firms should not be allowed to limit tax bills by writing off pension payments as an expense

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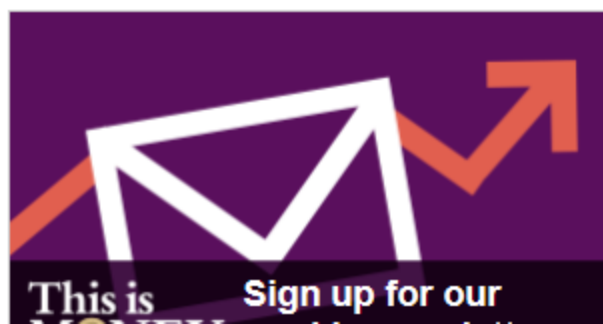
Bosses such as Horta-Osorio are given the money as an up-front cash payment while workers' funds are locked away for decades until retirement.

Critics argue that this makes executives' pension payments more like a secret top-up to their pay.

Altmann, pensions minister from 2015 to 2016, said: 'For bosses, this money just ends up being pay disguised as a pension.'

For everyone else the terms are much, much less generous – and another example of the huge disparity between bosses and ordinary workers.'

Other FTSE 100 firms with hugely generous pension schemes for bosses



include builder CRH, which gave boss Albert Manifold £593,000 or 47 per cent of his annual salary in 2017.

Bill Winters, head of Standard Chartered bank, received £460,000, or 40 per cent.

Rakesh Kapoor, departing head of consumer goods titan Reckitt Benckiser, got £281,000, or 30 per cent. And Marco Gobetti, boss of fashion firm Burberry, was handed £245,000, or 30 per cent.

Sir Steve Webb, another former pensions minister, said: 'We need structures so people at the top of the business have an incentive to care about provision for the bulk of their workforce, and we don't have that.'

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