

RETIREMENT ROUNDUP



TISA'S RETIREMENT NEWSLETTER

Welcome to the latest edition of Retirement Roundup. We hope you find it useful, please do give us your feedback and do let us know if you have colleagues who would benefit from receiving a copy.

Renny Biggins — TISA Retirement Policy Manager

In the News

General Election 2019

With the General Election just around the corner, we detail a selection of pension policies contained within 3 of the main party manifestos and provide some of our own commentary.

CONSERVATIVES

Within the first 30 days, hold an urgent review to solve the Tapered Annual Allowance problem for Doctors' pensions - whilst it is encouraging the problem is being addressed, there should not be a 'carve out' for NHS staff as this affects many higher earners. A single solution for all is needed which could take the form of the abolishment of the TAA.

Increase the National Insurance threshold with an ambition to reach £12,500 - a cut in tax is always welcome by consumers but we need to know whether there will be any unintentional impacts. Paying NI is the gateway to state benefits such as the State Pension so will a rise in the threshold mean some lower earners may no longer achieve qualifying years?

Undertake a comprehensive review to look at a way to resolve the Net Pay Anomaly - as a member of the Net Pay Action Group, to see the inclusion of this in the Conservative manifesto is certainly a step in the right direction.

A reintroduction of the Pensions Bill i.e. the rollout of Pension Dashboards, legislation for Royal Mail to introduce CDC and increased TPR powers to safeguard employees pension benefits.

Maintaining the 'triple lock' for State Pension.

To read the manifesto in full please [click here](#)

LABOUR

Maintaining the 'triple lock' and maintaining State Pension Age at 66.

Expand Auto Enrolment access for more low-income and Self-Employed workers - we welcome the proposal to increase AE access to lower paid workers. Given the labour market changes we have seen in recent years with a dramatic rise in the 'gig economy', millions of workers are not eligible to be automatically enrolled. This has a particular impact on the gender pensions gap.

An independent Pensions' Commission established to recommend target saving levels for workplace pensions.

The creation of a single, publicly run Pensions Dashboard - whilst we agree with the creation of a non-commercial dashboard, we hope the intention is to continue with the existing plans, enabling commercial models to be created, providing consumers with the benefit of choice.

Legislate to allow the Royal Mail to proceed with their proposed CDC pension scheme model.

Increase income tax for those earning above £80,000 - without a change in legislation, this will mean this group will benefit from a greater level of tax relief. If this is not the intention, how will those in Net Pay and Salary Sacrifice arrangements receive the intended level of relief?

Proposals for nationalisation and Inclusive Ownership Funds - this will need close monitoring to identify the impact on pensions and investments. An ongoing dialogue with a Labour government will be required to ensure positive financial wellbeing outcomes are delivered for all UK consumers.

To read the manifesto in full please [click here](#)

A post manifesto pledge of £58 billion has been made to compensate women who were affected by the State Pension Age increases from 60-65 (WASPI).

LIBERAL DEMOCRATS

Maintaining the 'triple lock' for State Pension.

Increasing income tax by 1% for all rates - as per the above comment, will this increase levels of pension tax relief or will the intention be to cap it at existing levels?

To read the manifesto in full please [click here](#)

It will be interesting to see how the next Government progresses with their proposals as there is a lack of detail in several areas. Additionally, we note that the Automatic Enrolment 2017 review recommendations of reducing the minimum age to 18 and the removal of the lower earnings limit have not made their way into any of the manifestos.

HMRC Pension Scheme Newsletter 115

The latest newsletter was issued on 26 November and covers the following areas:

- Lifetime allowance and the 2019/20 event report
- Managing Pension Schemes service - giving access to Government Gateway administrators and assistants
- Managing Pension Schemes service – pension practitioner IDs
- Relief at Source - notification of residency status report for 2020 to 2021
- Annual allowance – members declaring their annual allowance charge on their Self Assessment tax return

To read the newsletter in full please [click here](#)

Flexible payments from pensions - HMRC official statistics October 2019

The latest statistics show that £2.4 billion was flexibly withdrawn from pensions in Q3 2019 which is a 21% increase from Q3 2018.

Just under £55 million of overpaid tax was reclaimed in Q3 2019 - this being a result of the PAYE process typically over-taxing individuals on initial income payments, meaning most actually receive a net amount less than expected. This can result in individuals needing to take out additional lump sums to cover any unexpected shortfall.

To read the report in full please [click here](#)

TISA NEWS

Recent consultation responses

FS19/5 - Effective competition in non-workplace pensions

We have reached a point where with the rollout of Pensions Dashboards, we should be seeking to overhaul pension communication and make this truly meaningful to the consumer. At the same time, we should be looking for Government and Industry to work in collaboration to establish a guidance framework which is capable of providing support to all consumers throughout the retirement journey.

To read our response in full please [click here](#)

Date for the diary - Our inaugural Annual Retirement Conference

Our first Annual Retirement Conference will be held on 11 February 2020 at Norton Rose Fullbright LLP, 3 More London Riverside, London SE1 2AQ

The world of retirement continues to be at the forefront of financial news. There's a whole host of activity in this sector, as both Government and industry continue to address the challenges that consumers face in long term saving.

As Auto Enrolment and Pension Freedoms are now embedded into the framework, we need to look at the outcomes consumers will get and the responsibilities that they often unknowingly have in preparing their and their households for retirement.

Attendees will gain valuable insights into the latest news including Government aspirations, industry initiatives to incentivise saving, the regulator's agenda, an update on the Pensions Dashboard and Equity Release

Speakers include David Fairs, Executive Director at The Pensions Regulator, David Burrowes, Chairman of the Equity Release Council and Charlotte Jackson, Head of Pensions Guidance and Customer Protection at The Money and Pensions Service.

To view the latest agenda and book your place, please [click here](#)

Retirement Technical and Policy next meetings

Technical Committee: Thursday 5 December 2019
14:30-16:30

Venue: Insurance Institute, Consilium Room, 21 Lombard Street, London EC3V 9AH

Policy Council: Tuesday 17 December 2019
14:00-16:00

Venue: Northern Trust, Edwards/Byron/ Solomon rooms, 50 Bank Street, Canary Wharf, London E14 5NT

TISA members have access to the Retirement Technical helpdesk, where we are happy to provide responses to technical queries and liaise with the appropriate bodies to resolve regulatory gaps. We are a member of the HMRC Pensions Industry Stakeholder Forum. Please email enquiries@tisa.uk.com

Members also have the opportunity to join the Retirement Technical Committee and Policy Council, where we look to resolve industry issues and help shape the future of UK Retirement in line with our manifestos. Additional working groups are set up to deal with specific areas of interest and importance.