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

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 Allowance’ problem for Defined Benefit pension schemes — whilst it is encouraging the problem is being addressed, there should not be a ‘carve out’ for MFS staff as this affects many higher earners. A single solution for all is needed which could take the form of the abolition of the TAA.

Increase the National Insurance threshold with an ambition to reach £32,000 by the next General Election. This will welcome by consumers but we need to know whether there will be any unintended consequences. Paying NI to the gateway to state benefits such as the State Pension so will increase the financial strain for lower earners may no longer achieve qualifying years.

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

A re-introduction of the Pension Bill I.e. the rollout of Personal Pensions Dashboards, legislation for Royal Mail to introduce CCD and increased TPR powers to safeguard employee pensions benefit generations.

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 65.

- Expand Auto Enrol access for more low-income and Self-Employed workers — we welcome the proposal to incentivise employers to base paid to enrol in the workplace pensions market changes we have seen in recent years with a dramatic rise in the ‘gag 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 any changes to accumulating and saving levels.

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 consumers to be more easily informed, providing consumers with the benefit of choice.

Legislators to require the Royal Mail to proceed with their pension scheme and pension achievement.

Increase income tax for those earning above £80,000 — without a change in legislation, this will mean benefit will be greater from a level of tax. 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 - this will need close monitoring to identify the impact on pensions and investments. An ongoing dialogue with a Technical Committee and Policy Council, where we look to ensure consumer views are taken into account.

To read the manifesto in full please click here.

A post manifesto pledge of £58 billion has been made to increase the National Insurance threshold with an increased TPR powers to safeguard employee pensions benefit generations.

NFU Policy

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 protector IDs
- Relief at Source – notification of readiness status report for 2020/21

Annual allowance – members declare their annual allowance charge on their Self Assessment tax return

To read the newsletter in full please click here.

Flexible payments from pensions – October 2019

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

Just under £35 million of overpaid tax was reclaimed in Q3 2019 being a result of the PAYE process typically over-bearing individuals on initial income payments, meaning most actually receive a net amount less than expected. The good news is individual net refunds remaining significant and Individuals needing to take out additional lump sums to cover any unexpected shortfall.

To read the report 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 outcomes consumers but we need to know whether they will actually impact on their household’s retirement.

Attendees will gain valuable insights into the latest news including Government aspirations, investor initiatives to ‘improve the pension deficit’ and the government’s agenda for the update on the Pensions Dashboard and Equity Release

Speakers include David Pairs, Executive Director at The Pensions Regulatory, David Brownlow, 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 14:30-16:00
Venue: Insurance Institute, Consilium Room, 2 Lombard Street, London EC3V 9BN
Policy Council: Tuesday 17 December 14:00-16:00
Venue: Norton Trust, Edward/Bufford Solomon rooms, 50 Bank Street, Cannon, London EC4N 5HT

TISA members have access to the Retirement Technical helpdesk, where we are happy to provide responses to technical queries alongside the appropriate bodies to resolve regulatory gaps. We are a member of the HFIC Pensions Resources Servicing team. Please email enquiries@tisa.uk.com

- Members also have the opportunity to join the Retirement Technical Committee and Policy Council, where we look to review new developments and hold shape the Pensions Dashboard.
- Retirement in life with self-manifest. Additional working groups are set up to deal with specific areas of interest and importance.

If you have any queries or comments on the Roundup, please email reny.biggren@tisa.uk.com.