Money Purchase Annual Allowance

The second 2017 Finance Bill, which the Government has announced will be introduced in the autumn and as stated pre-election, will legislate for policies already announced, some of which apply from the start of the 2017/18 tax year. This includes the reduction in the MPAA to £4,000 and finally provides much sought after clarity.

- The £500 income tax exemption to cover pensions advice provided to an employee is also included. For a full list of provisions please click here.

The Pension Advice Allowance — wording change

This allowance allows £500 to be accessed over three separate tax years to help fund retirement advice. When originally drafted, the rules imply that if the withdrawal is made from a plan which has a pre-A-Day scheme, unless the consumer accessed the rest of their pension rights at the same time, protections such as scheme specific lump sum rights could be lost. At the time, an HMRC spokesman said the pre-A-Day schemes were unlikely to offer the advice allowance. However, HMRC have now removed that rule and an update to the Pensions Tax Manual reads 'Incorrect wording inserted at last update' (7 April 2017). As a result, advice pension allowance particulars have been removed.

CP17/16—Advising on Pension Transfers

DB transfers are a hot topic. The current financial landscape has resulted in DB pension pots acquiring unusually high cash equivalent transfer values. Concerns that schemes will not be able to meet their long-term liabilities, combined with potential desires to flexibly access has resulted in high numbers of members transferring out of their DB arrangements into DC and losing the guarantees provided by their former DB scheme. In May 2017, TPR reported that as many as 80,000 individuals transferred out of their DB arrangements to flexibly access has resulted in high numbers of members transferring out of their DB arrangements into DC and losing the guarantees provided by their former DB scheme.

- An FCA paper has been issued, consulting on how advice should be provided to consumers. This includes an expectation of what member communications should be included in the advice process, enhanced checking procedures and a change to the TVA requirement. We will be engaging with our members in order to formulate a response—please contact renny.biggins@tisa.uk.com.

- The £500 income tax exemption to cover pensions advice provided to an employee is also included. For a full list of provisions please click here.

Retirement Outcomes Review: Interim Report

The review looked at how the retirement income market is evolving since the pension freedoms were introduced in April 2015, with a particular focus on market is evolving since the pension freedoms were introduced in April 2015, with a particular focus on decumulation continues to dominate pension

- We intend to cover the reduction in the MPAA to £4,000 and finally provides much sought after clarity. The current financial landscape has resulted in DB pension pots acquiring unusually high cash equivalent transfer values.

- We will be engaging with our members in order to formulate a response—please contact renny.biggins@tisa.uk.com.

Pension Schemes Newsletter 88

- HMRC newsletter 88 has been issued which includes some operational details regarding the Scottish Rate of Income Tax for non-Scottish residents and partnerships. This is an area where we have received a few queries about—HMRC clarifications are coming through in an ad-hoc basis. To read the newsletter (links) click here.

- We are a member of the HMRC Pension Industry Stakeholder Forum and are happy to liaise with HMRC regarding issues on behalf of our members. This is a valuable benefit of membership, please click here.

TISA NEWS

Reaching age 75—Pensions Expert Article

Age 75 remains as a key age in pensions for scheme administrators and consumers. In this article Renny Biggins looks at the key age of 75 and poses the question as to whether this age continues to have relevance. To read the article please click here.

Seminar: The Decumulation Deep Dive

Friday 24 November 9:00-12:00

Legal & General, Plc, 1 Coleman St, London EC2R 5AA

- Following the launch of pension freedoms in 2015, ‘decumulation’ has been a key trending topic. To join the debate, please join us as we delve into the world of decumulation from various perspectives including new consumer research, product innovation, investing for retirement income, drawndown alternatives and technology opportunities.

- A full agenda and speaker line up will shortly be confirmed. If you are interested in receiving details as and when they become available, please email renny.biggins@tisa.uk.com.

Quarterly Roundtable

Monday 25 September 14:00-15:30

Press Basing Room, CBI, 78 Cannon Place, London

- You are invited to a pensions roundtable to discuss key current topics with our policy and technical team.

- These small roundtables have been highly popular in the past and are a way for members to ensure that adequate support is right up to date with developing technical and policy areas.

- Places are strictly limited, as the format is very much a roundtable discussion and not a seminar or lecture!

- We make a small charge of £75 to cover the costs of the event. This VAT-free as it is an educational event. To book your place please click here.

TISA Annual Conference

The Annual Conference is the flagship event in TISA’s seminar programme and an ever-popular event across the financial services industry. This year the Conference theme is ‘Going Global: Transforming the UK into a smarter global financial centre’. For full details and to book your place please click here.

Retirement Technical & Policy next meetings

- Technical Committee: Wednesday 13 September 14:00-15:00

- Semi-Private Roundtable once a year in conjunction with the Annual Conference and the Pension Tech Committee.

- Technical Committee: Monday 25 September 14:00-15:00

- Semi-Private Roundtable once a year in conjunction with the Annual Conference and the Pension Tech Committee.

- Technical Committee: Tuesday 19 September 12:30-14:00

- Technical Committee: Wednesday 13 September 14:00-15:00

- Semi-Private Roundtable once a year in conjunction with the Annual Conference and the Pension Tech Committee.

- Technical Committee: Monday 25 September 14:00-15:00

- Semi-Private Roundtable once a year in conjunction with the Annual Conference and the Pension Tech Committee.

- Technical Committee: Tuesday 19 September 12:30-14:00

- Technical Committee: Wednesday 13 September 14:00-15:00

- Semi-Private Roundtable once a year in conjunction with the Annual Conference and the Pension Tech Committee.