September 2017

RETIREMENT ROUNDUP

TISA'S RETIREMENT NEWSLETTER

tisa
Leading on Investments and Savings

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 Pensions Technical Officer

In the News

Pension Scams Consultation Response

The response to the consultation was issued in August. In summary the main outcomes are:

The pensions cold calling ban will proceed. This will be future proofed to ensure new scams that evolve are not beyond its scope and include electronic communications. At this time it is not known when legislation will be brought forward - it will be 'when Parliamentary time allows.'

The statutory right to transfer will be restricted to transfers into FCA authorised Personal Pension schemes, transfers into authorised Master Trusts and transfers to Occupational schemes where a genuine employment link can be evidenced. Further consultation will take place to establish what evidence is appropriate. Considerations will be given in regards to including QROPS. This does not mean that non-statutory transfers should not take place if due diligence checks allow - this may be included in legislation. The introduction of this proposal will be aligned to the implementation of the new Master Trust regime in 2018/19.

All new scheme registrations must be made through an active company, except in legitimate circumstances where HMRC will have discretion. This will also extend to existing pension schemes.

To read the full response please click here

Following this response, draft legislation has been issued in respect of Pensions Tax Registration. This extends HMRC powers in the registration and de-registration process for Master Trusts under the new authorisation regime, including pension schemes whose sponsoring employer is dormant. It will be included in the 2017 Winter Finance Bill and will have effect from 6 April 2018.

For further details please click here

FCA Data Bulletin September 2017

Listed below are some of the headline figures which are based on a comparison to the same period last year (Oct 2015 -Mar 2016):

16% fall in the number of annuities purchased - now at their lowest level since freedoms commenced

18% rise in full cash withdrawals (by new customers)

9% rise in number of pots accessed for the first time

4% rise in new drawdown policies partially accessed

29% rise in first partial UFPLS

To read the bulletin in full please click here

The Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations 2017

Regulations to cap early exit and member-borne commission charges in occupational pension schemes are to be introduced from 1 October 2017.

Early exit charges for those aged 55 and above will be restricted to 1% for existing members and 0% for new members. Existing schemes with exit charges of less than 1% will not be able to increase these.

The regulations also provide for the Secretary of State to issue guidance on how the value of a member's benefits should be calculated to determine the cap. The cap has been in place for personal and stakeholder pension schemes since 31 March 2017.

The second phase of the member-borne commission ban will prohibit charges being imposed on members of certain occupational pension schemes to recoup the cost of commission payments to advisers in relation to agreements entered into before 6 April 2016, unless the payment was made before the regulations come into force.

To read the full response please click here

Second UK Finance Bill 2017 published

The government issued its second Finance Bill of 2017 on 8 September 2017. This will legislate for policies already announced including Pensions Advice and the Money Purchase Annual Allowance. To read the Bill in full please click here

HMRC Newsletter 90

The latest newsletter was issued on 30 August 2017. This covers information on the following areas:
Annual Allowance
Relief at source for Scottish Income Tax
QROPS reporting
Event report submissions
LTA look up service for PSAs
New pensions online service

To view the newsletter in full please click here

State Pension Age increase

Under current law, the increase in SPA to 68 is due to be implemented between 2044 and 2046. Following a recent review by John Cridland CBE, plans have been announced to bring the increase forward to take place between 2037 and 2039. These proposed changes will need to be approved by Parliament.

TISA NEWS

Consultation responses

The TISA response to the Retirement Outcomes Review: Interim Report was submitted on Thursday 14 September. Many thanks to all our members who provided input. To read our response 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 continues to dominate pension discussions. Please join us as we delve into the world of decumulation from various perspectives including new consumer research, product innovation, investing for retirement income, drawdown alternatives and technology opportunities.

We are delighted to be hearing from Ray Chinn, NEST's new Head of Retirement Options, Henry Tapper, First Actuarial's ace blogger and Matthew Doyle, MD at Retirement Quality Mark – the independent arbiter of what 'good' looks like in retirement income - and other top speakers.

To kickstart the proceedings, our keynote speaker, Brian Corr, Head of Competition Division at the Financial Conduct Authority will be discussing the results from their recent, wide-ranging and much publicised Retirement Outcomes Review: Interim Report.

To see the full agenda and 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 and Policy next meetings

Technical Committee: Tuesday 28 November
14:00-16:00
Venue: TBC

Policy Council: Tuesday 12 December
10:30-12:30
Venue: TBC

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.

They 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.

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

Don't wish to receive these emails? Please email nicola.robbins@tisa.uk.com