

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

Occupational Pension Schemes (Master Trusts) Regulations 2018

The draft regulations have now been issued for consultation by DWP, with a closing date of 12 January 2018. The consultation focuses on the policy which will underpin the new regime and is broken down broadly into the following areas

- Scope and application
- Authorisation process
- Authorisation criteria
- Controls and monitoring

The new regime will be administered by TPR who will provide scheme support through operational guidance and a Code of Practice. This will be published in draft and will be subject to a separate public consultation.

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

Autumn Budget 2017

To the surprise and relief of many, pensions barely featured in this year's Budget.

The Lifetime Allowance will rise by CPI as planned to £1,030,000 for 2018/19. This is the first increase we have experienced for seven years and although not significant, it will generate a tax saving for some individuals.

The Personal Allowance will rise from £11,500 to £11,850. This means potentially a greater number of employees in workplace pension schemes that operate Net Pay will be earning under the increased allowance and missing out on tax relief that they could have claimed if the scheme operated Relief at Source. The Net Pay vs RAS inequality for low earners is an area which needs to be addressed and we have flagged this to Government in various communications.

The government will legislate in the Finance Bill 2018-19 to modernise tax relief for employer premiums paid into life assurance products or certain overseas pension schemes. This will extend the existing exemption to cover policies when an employee nominates any individual or registered charity to be their beneficiary. The change will have effect on and after 6 April 2019.

HMRC Newsletter 93

The latest newsletter was issued on 30 November 2017. This covers information on the following areas:

- Autumn Budget 2017
- Reporting of non-taxable death benefits
- Relief at source for Scottish Income Tax
- New Pensions online service
- Pension payments to trustees in bankruptcy or third parties
- Lifetime allowance service
- Annual Allowance

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

Finance Bill 2017-18

The Bill was published on 1 December 2017 and as expected, introduces changes to tax registration for schemes that are Master Trusts or have a sponsoring employer that is a dormant company.

From April 2018 HMRC has the powers to refuse scheme registration to Master Trusts not authorised under TPR or where one of the sponsoring employers is a dormant company.

In addition, authorisation can be withdrawn for Master Trusts which lose TPR authorisation or where a scheme is found to have a dormant company as its sponsoring employer.

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

Automatic Enrolment Review 2017: Maintaining the Momentum

The DWP have issued their long awaited response to the Automatic Enrolment Review 2017. Some key outcomes are:

- To reduce the lower age limit from 22 to 18
- To remove the lower earnings limit so contributions are calculated from the first pound earned. In addition, the 'entitled workers' category will be removed
- To maintain the earnings trigger at £10,000 for 2018/19
- Multiple job holders earning under £10,000 per employment but over £10,000 in total will not be automatically enrolled. However they can opt in and receive an employer contribution
- Approaches to bring the self-employed into Auto Enrolment will be tested in 2018
- The impact of the 2018 and 2019 contribution rate increases will be monitored and further analysis will be undertaken to establish the correct balance between statutory and voluntary contributions longer-term

We are pleased to see the lowering of the minimum age and the removal of the lower earnings limit, however it is disappointing that the intention is not to implement them until the mid 2020s.

Further analysis continues in several areas and we expect to maintain engagement with this important piece of work throughout 2018.

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

Scottish Rate of Income Tax

The Scottish draft budget 2018/19 was published on 14 December 2017 which included a proposal to change the Income tax bands and rates for Scottish tax payers:

Name	Rate	Band (£)
Starting	19p	£11,850 - £13,850
Basic	20p	Over £13,850 - £24,000
Intermediate	21p	Over £24,000 - £44,273
Higher	41p	Over £44,273 - £150,000
Top	46p	Over £150,000

For schemes operating Relief at Source, we believe claims for those with a Scottish status continue to be made at 20% as Basic Rate remains unaltered. However, there is still clarity required for schemes and their members around the implications that the additional bands and the change in rates may bring. To read the Scottish Government associated fact sheet please [click here](#)

HMRC have released a December newsletter where it confirms they will be working closely with the Scottish Government and with pension providers on the implications of that change for pension tax relief, and to clarify how the mechanisms for providing relief will operate in respect of Scottish pension savers. To read the newsletter in full please [click here](#)

The National Audit Office published a report on 27 November 2017 which highlights the challenges faced by HMRC in maintaining accurate address records for Scottish taxpayers. To read the report in full please [click here](#)

TISA NEWS

The TISA & KPMG Savings Index

We have launched in partnership with KPMG a new biannual Savings Index which provides a unique view of the total savings of UK households by region and age. The Savings Index is designed to help encourage long term saving at a time of rising consumer debt. The underlying data is held in a fully interrogable database, which combined with the 'a household like mine' feature provides numerous business benefits to licence holders.

For further details please [click here](#)

Retirement Technical and Policy next meetings

Technical Committee: Wednesday 7 March 2018
14:00-16:00
Venue: TBC

Policy Council: Wednesday 21 March 2018
14:00-16:00
Venue: Northern Trust, 50 Bank St, 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.