

# 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

#### Master Trust Authorisation - Draft Code of Practice published

The code sets out the authorisation application process which applies from October 2018 and provides information on the key matters taken into account when TPR make their final decision. It is broken down into:

- Authorisation criteria
- Fit and proper
- Systems and processes
- Continuity strategy
- Scheme funder
- Financial Sustainability / The business plan
- Supervision
- Application process

In addition, TPR are inviting schemes to apply for a readiness review, which is the opportunity to fill in a draft application for certain areas to help prepare for authorisation. These voluntary draft applications can be submitted to TPR from May. TPR aim to give feedback by 31 August on the quality of the submissions and although not an absolute indication about the likely success of an application – it's a pretty good marker.

In September TPR plan to share general lessons that have been learnt across the market from the draft applications, to support every master trust in their formal application for authorisation.

In the meantime, our Spring Seminar is dedicating a session to this. Please see opposite for details.

To read the draft Code of Practice in full please [click here](#)

To read the consultation and response form please [click here](#)

To read the decision making procedure document please [click here](#)

#### HMRC Newsletter 97

The latest newsletter was issued on 28 March 2018. This covers information on the following areas:

- Relief at source for Scottish Income Tax
- Relief at Source - excess relief
- Form APSS262 - reporting overseas transfers
- New pensions online service newsletter
- Finance Act 2018
- Annual Allowance
- Outstanding accounting for tax (AFT) charges

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

#### In-specie pension contributions

In 2016 HMRC unexpectedly challenged SIPP providers on whether net pension contributions could be made in-specie and still receive tax relief.

At the start of the 2016/17 tax year, HMRC changed their 'relief at source' (RAS) claim forms, requiring providers to separate out cash and in-specie contributions in their claims for tax relief. A few months later, a number of SIPP providers started to receive requests from HMRC for further information relating to any in-specie contributions listed. In the meantime, HMRC withheld all tax relief; even for cash contributions, as well as in-specie ones.

The reasoning behind this apparent change in stance was not clarified by HMRC and as such, many SIPP providers stopped allowing in-specie contributions.

The matter was disputed in court during March by Sippchoice with the outcome of HMRC being told to allow tax relief on net in-specie pension contributions. This outcome could amount to millions of pounds in tax money.

Despite the ruling HMRC have stated "The current rules will continue to apply until we are satisfied that the litigation process is complete". HMRC are considering whether to appeal. Many firms are maintaining their existing stance whilst it remains unclear whether a potential appeal may be lodged.

#### FCA Data Bulletin - March 2018

This issue focuses on the evolution of the pensions and retirement income market.

Section 1 of the Bulletin focuses on consumers' perception of their pension holdings, attitudes and experience of saving for retirement.

Section 2 explores the consumer experience of making retirement income choices since the pension freedoms in 2015.

Section 3 provides the latest data from their monitoring of market trends.

Some of the key statistics are:

- A third of people have no private pension provision and half of consumers with a pension have not reviewed how much it is worth in the last 12 months.
- Around 300,000 pension pots have been accessed for the first time every six months since the pension freedoms were introduced.
- More than half of all pension pots accessed are full cash withdrawals, but only 17% of consumers who have accessed a pension pot report fully withdrawing their pension pot in the last two years.
- Since pension freedoms, twice as many pots have entered drawdown than annuities.

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

### TISA NEWS

#### Spring Retirement Seminar – Six of the best for 2018

Friday 18 May 09:00-13:00

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

Join us for our Spring Retirement Seminar, where leading individuals from DWP, TPR and industry provide the latest updates and share their unique insight on six key topics of the moment.

#### Speakers & Seminar Programme

Chaired by TISA's Manager of Retirement Policy Renny Biggins, the agenda and speakers:

**Fiona Walker, Deputy Director Automatic Enrolment and Defined Contribution Pensions, Department of Work and Pensions 'Maintaining the Momentum – the response to the Auto Enrolment Review 2017'** The long-awaited consultation response was issued at the end of 2017. We look at the proposals, the impact these will have on retirement outcomes and consider the additional work that is to be undertaken by the industry in the coming months.

**Margaret Snowden OBE, Chair of Pension Liberation Group 'Pension Scams'** - Government data shows that over £43 million has been illegally obtained from scammers since April 2014, however those are only the reported numbers and the actual figure is likely to be far higher. New legislation is being introduced, however in the interim, this provides a window of opportunity for scammers and we may see a spike in fraudulent activity. We look at steps the industry could take to minimise the impact to scheme members in this interim period and consider whether the legislation goes far enough.

**Caroline Bailey, Customer Strategy & Development Director, Old Mutual Wealth** - 'The Single Financial Guidance Body (SFGB)' MAS, TPAS and Pension Wise are due to be replaced by the SFGB with an expected launch in Autumn 2018. We review its remit and initial aims, its interaction with the advice market and industry and the implications this has for consumers who are looking to access their retirement savings.

**Stewart Hastie, Senior Actuary, KPMG 'Brexit - what does this mean for pensions?'** - The UK decision to exit the EU has already impacted pension schemes. As we prepare to leave in 2019, what will the continued effect be on DB and DC schemes and what challenges will trustees, providers, employers and members face?

**Diana Illingworth, Head of Operational Taxes and Matt Hier, Project Manager, Legal & General 'Scottish Rate of Income Tax'** - Following the introduction of SRIT for schemes operating Relief at Source from April 2018, we look at the implementation experiences of one organisation, the ongoing requirements and consider the potential implications if the Basic Rate for Scotland diverges from Rest of UK in future years.

**Kim Brown, Head of Master Trusts, The Pensions Regulator 'Master Trust Regulations 2018'** - With the new regime and authorisation process expected to be implemented from October this year, we look at the aspects that existing and new Master Trusts should be focusing on to meet TPR requirements and transition smoothly into the new regime.

To book your place please [click here](#)

#### Retirement Technical and Policy next meetings

**Technical Committee:** Wednesday 6 June 2018

15:00-17:00

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

**Policy Council:** Monday 23 April 2018

10:00-12:00

Venue: Tilney, 17th Floor, 6 New Street Square, New Fetter Lane, London EC4A 3BF

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](mailto:enquiries@tisa.uk.com)

If you have any queries or comments on the Roundup, please email [renny.biggins@tisa.uk.com](mailto:renny.biggins@tisa.uk.com)

Don't wish to receive these emails? Please email [nicola.robins@tisa.uk.com](mailto:nicola.robins@tisa.uk.com)