

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

Household finances: income, saving and debt: Government Response to the Treasury Committee's Nineteenth Report

The response was issued on 12 October 2018 which addressed the numerous recommendations put forward by the Treasury Committee. In particular on the pensions front:

- Reiteration of the intention to remove the Automatic Enrolment lower earnings limit and the lowering of the minimum age of eligibility to 18 by the mid-2020s. Although this is subject to finding ways to make the changes affordable and the impact of the increase in minimum contributions for April 2018 and 2019

- There will be ongoing discussion with stakeholders during 2018/19 to understand the adequacy of retirement incomes. This will help determine an appropriate level of overall saving and the balance between a prompted and voluntary element

- The pensions tax relief consultation in 2015 found no clear consensus that changing tax relief met the four principles of:

1. Simplicity and transparency
2. Personal Responsibility
3. Build on Automatic Enrolment
4. Sustainability

Whilst all taxes are kept under review, no consensus for incremental or more radical reform of pensions tax relief has emerged since 2015

- There remains a commitment to the Lifetime ISA and government have been working with various bodies to ensure consumers are aware of the financial implications of a chargeable withdrawal. Amendments to the withdrawal charge explanation have been made to the Lifetime ISA campaign website
- Government is working towards its manifesto commitment of extending Automatic Enrolment out to the Self-Employed. More details about trials will follow in 2018 along with the commencement of targeted test approaches
- There is a commitment to maintain the Triple Lock for the rest of this parliament
- The Government agrees with the principles behind a mid-life MOT and is working with employers and other stakeholders to build an evidence base

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

Autumn Budget 2018

The date has been set for Monday 29 October. This is a few weeks earlier than usual to avoid clashing with November's key Brexit negotiations.

The usual suspects have been raised again around the restriction of pensions tax relief, which have been further fuelled with the chancellor's recent comment that the tax breaks given to retirement savers had become 'eye watering expensive'.

Whilst the government response to the Treasury Committee's report (above) has effectively ruled out significant reform, general industry consensus is that further restrictions to reduce the cost to HMT will be included within this budget.

HMRC Newsletter 103

The latest newsletter was issued on 25 September 2018. This covers information on the following areas:

- Updating your scheme administrator details
- Operating PAYE on pension payments
- Master Trusts
- Reporting of non-taxable death benefits
- Relief at source
- Annual allowance - pension savings statements for tax year 2017/18
- Trust registration service

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

Pensions Bill 2019

Guy Opperman - the minister for pensions and financial inclusion is pushing for a comprehensive pensions bill in 2019, which is intended to mark the end of 'tinkering with pensions for a 'considerable period of time'. It is expected to contain rules on DB Consolidation, Collective Defined Contribution and details relating to the expanded remit of The Pensions Regulator.

The Net Pay Anomaly

This anomaly means that low earners who are in workplace pension schemes which operate Net Pay do not receive tax relief on their contributions. These are the workers who need the benefit of tax relief the most. This is not a new issue and has been the topic of many discussions and debates within industry.

However, the problem will not go away by itself and will only continue to increase in size. This is exacerbated by:

1. The earnings trigger for AE remaining static
2. An increase in the Personal Allowance
3. The increase to minimum contribution rates

The potential removal of the lower earnings threshold in the mid-2020s would further compound the issue.

An industry letter was recently sent to Philip Hammond urging him to address this issue and was signed by some key individuals including TISA Director General David Dalton-Brown. This prompted a personal response from Treasury on 17 October stating they were looking at the opportunities provided by the move to a modern digital tax system to tackle any differences of treatment in provision of tax relief for pensions.

It is disappointing that this does not commit to any timescale, however we remain hopeful that with continued impetus, industry and government can establish a collaborative approach to resolving this issue.

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

TISA NEWS

Autumn Retirement Seminar - It's a game of two halves!

Our 2018 Autumn Retirement Seminar 'It's a game of two halves' will take place on 6 December between 08:30 and 13:00 at the offices of Old Mutual Wealth in London.

Pensions continue to dominate the headlines in one form or another. In our Autumn Seminar we look at various components of the accumulation and decumulation phases. We will examine some of the successes to date and consider how we can build on these, review some of the challenges we face as an industry and how these can be met and take a look into the potential options that might exist for future retirees.

The event will be chaired by Gregg McClymont - Director of Policy and External Affairs at B&CE. The full line-up of speakers are Jon Greer - Head of Pensions Technical at Old Mutual, Jamie Jenkins - Head of Pensions Strategy at Standard Life, Chris Curry - Director of the Pensions Policy Institute, Greg Davies - Head of Behavioural Science at Oxford Risk, Jonathan Lima-Matthews - Senior Policy Adviser at The Association of Independent Professionals and the Self-Employed, John Moret - Principal of MoretoSIPPs, Simon Chinnery - Head of DC Solutions at Legal & General, Charles McCready - Strategy Policy Director at TISA and Robert Reid - Chartered Financial Planner and Wealth Manager at Syndaxi.

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

Annual Conference

Our 2018 Annual Conference on 20 November will put the focus on the economic issues and the opportunities today's richly diverse society offers UK financial services. Our conference Chair is the renowned writer and broadcaster Louise Cooper, and the line-up of plenary speakers is John Glen MP, the Economic Secretary to the Treasury and City Minister, Amber Rudd MP, the former Home Secretary and Minister for Women and Equalities, Anjalika Bardalai, Chief Economist and Head of Research, TheCityUK; Elissa Bayer, Senior Investment Director, Investec Wealth & Investment Ltd; and Mark Littlewood, Director General, The Institute of Economic Affairs.

A special panel session will focus on: 'How can the industry ensure good outcomes for women as employees and customers?' Chaired by Jane Goodland, Responsible Business Director at Quilter Plc our panellists are Katrina Sartorius, Managing Director of Aegon's Institutional business for Cofunds Ltd; Nathalie Stone, Mansion House Capital; Chloe Templeton, Head of Mutuals and Women in Finance at HM Treasury; Jon Terry, Partner & Diversity and Inclusion Consulting Leader, PwC; and Nick Wright, CEO DST.

TISA will also be providing a topical update on its MiFID II regulatory work, the Savings Index, digital projects and ISA simplification in the TISA Information Zone session.

To find out more please [click here](#)

Retirement Technical and Policy next meetings

Technical Committee: Monday 3 December 2018
15:00-17:00
Venue: TBC

Policy Council: Thursday 13 December 2018
14:00-16:00
Venue: GBST, 8th Floor, Linen Court, 10 East Road, London N1 6AD

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

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

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