

HMRC update re: progress on pensions regulations

From: paulcottis@hmrc.gsi.gov.uk [mailto:paulcottis@hmrc.gsi.gov.uk]

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To: ian.long@aviva.co.uk; Timothy.Lloyd@abi.org.uk; Karen Goldschmidt (LCP); jason.piper@accaglobal.com; linda.smith@apfa.net; Robert.Graves@rowanmoor.co.uk; JMoody@mayerbrown.com; neil.carberry@cbi.org.uk; Mario.Lopez-Areu@cbi.org.uk; Teresa.Preece@merc.com; cferguson@icas.org.uk; Peter.Bickley@icaew.com; anne.redston@virgin.net; malcolm.small@iod.com; fredericklarrydarby@me.com; dave.roberts@towerswatson.com; michael.robey@nestcorporation.org.uk; debra.tullet@prag.org.uk; paddymillard@aol.com; iain.mills@uk.zurich.com; Joanne.King@axawealth.co.uk; Andrew.Short@capita.co.uk; Giannis.Waymouth@AllenOvery.com; Susie.Daykin@traverssmith.com; Rowan.Howard@SlaughterandMay.com; Averil.Logan@towerswatson.com

Cc: jon.prothero@hmrc.gsi.gov.uk; samantha.skill@hmrc.gsi.gov.uk

Subject: Progress on regulations [Protective Marking: UNCLASSIFIED]

All,

I thought it may be useful to let the HMRC Pensions Industry Stakeholder Forum know of the progress on a number of draft pensions regulations.

Annual Allowance Order

As you are no doubt aware we published this last year for comment. Thank you for all the comments that we received on this. In particular we received a lot of comments on the proposed draft article 7 and the issue around transfers and the adjustment of the closing balance. We recognise the difficulties that may arise for transfers under the current legislation, which is why the 'block transfer' provision was included in the draft Order. It is however clear from the responses to the consultation on the draft Order that this a very complex issue and needs further consideration and discussion with industry. We are therefore delaying the date on which the Order will be laid in order to give further consideration to the transfer issue, including the possibility of applying any change for this and certain other issues in the draft Order with retrospective effect. We will be in touch with interested parties on this in due course.

Please feel free to pass this message on to colleagues etc.

Reduction in Pension Rates etc. regs

These regulations have been published in draft for comments. They are intended to allow a scheme pays reduction once a scheme pension is in payment and also they make a slight change to the AFT reporting of an AA charge to include the year the charge relates to. These draft regulations can be found here <http://www.hmrc.gov.uk/news/news010213.htm>

Authorised Payments Amendments Regs

These draft regulations have been published in draft for comment. They are intended to ensure that the abolition of contracting out of the State Second Pension through defined contribution (money purchase) pension schemes works as intended. These changes include clarification that age-related rebates paid by HMRC, and 'minimum payments' made by employers to registered pension schemes and recovered from employees are 'members contributions' for the purpose of the limit on part-refund payments relating to short service. The draft regulations can be found here <http://www.hmrc.gov.uk/news/contracting-out-conqs040213.htm>

As ever any questions, please get in touch.

Paul

Paul Cottis | Pensions Policy | Specialist PT Pensions | Fitz Roy House | Castle Meadow Road | Nottingham | NG2 1BD | Telephone 03000 564 209