



Minutes of the HM Revenue & Customs (HMRC) Pensions Industry Stakeholder Forum

12 October 2011

Chair: Graeme Hood, Business Head, HMRC Pensions Operations

Attendees

From the Pensions Industry

Timothy Lloyd	ABI (Association of British Insurers)
Ian Long	ABI (Association of British Insurers)
Karen Goldschmidt	ACA (Association of Consulting Actuaries)
Mike Richardson	ACA (Association of Consulting Actuaries)
Linda Smith	AIFA Association of Independent Financial Advisors
Andrew Powell	APL (Association of Pension Lawyers)
Ian Neale	Aries
Teresa Preece	ATT/CIOT (Association of Taxation Technicians/Chartered Institute of Taxation)
Mario Lopez	CBI (Confederation of British Industry)
Margaret Thomson	CIPP (The Chartered Institute of Payroll Professionals)
Peter Bickley	ICAEW (Institute of Chartered Accountants England & Wales)
Derek Allen	ICAS (Institute of Chartered Accountants Scotland)
Ian Browne	ILAG (Investment and Life Assurance Group)
Larry Darby	LITRG (Low Income Tax Reform Group)
David McCourt	NAPF (National Association of Pension Funds)
Michael Robey	NEST (National Employment Savings Trusts)
Andrew Short	SPC (Society of Pension Consultants)
Mike Richardson	TOP (Tax for Older People)
Iain Mills	Zurich

From HMRC

Jo Barlow	(Pensions Communications)
John Brothwood	(Pensions Projects)
Paul Cottis	(Pensions Policy)
Elizabeth Hibbert	(Real Time Information Programme)

Huw Johns (Real Time Information Programme)
Elaine Massey (Pensions Process Owner)
Di Mckenzie-Boyle (Pensions Policy)
Jane Truelove (Pensions Technical)

Apologies:

Mark Edwards **ABI** (Association of British Insurers)
Jason Piper **ACCA** (Association of Chartered Certified Accountants)
Robert Graves **AMPS** (Association of Member-directed Pension Schemes)
Neil Carberry **CBI** (Confederation of British Industry)
Malcolm Small **IOD** (Institute of Directors)
Debra Tullet **PRAG** (Pensions Research Accountants Group)

Item 1: Introduction and matters arising.

AP 02/0910 HMRC Pension pages hit rates: HMRC provided a brief overview of the most popular pages. Over the first 6 months of the year there had been about half a million page hits, mainly focused on AA and LTA material. **closed.**

AP 04/0211 HMRC had taken an action to consider offering forum membership to ARIES and one or two of the larger insurance companies. Aries, NEST and Zurich have subsequently joined the group: **closed.**

AP 05/0211 HMRC took an action to invite a representative from the RTI programme to the next forum: RTI was on the agenda: **closed.**

AP 06/0211 Relief At Source (RAS) included in main agenda for the meeting; **closed.**

Item 2: Real Time Information (RTI)

HMRC provided an update on the RTI programme and offered to hold a workshop with forum members to discuss in more detail.

RTI aims to improve the way PAYE works; to create a more efficient system for HMRC, employers and, when embedded, make things better for customers.

The RTI PAYE data will be sent via either the Government Gateway or Electronic Data Interchange (EDI) to HMRC.

By 2012 the bulk of IT functionality will be in place and HMRC plans to run 2012/13 as a pilot year for the new system. As part of the pilot 10 PAYE schemes (employers) will be put through the system to see how it works; if successful this will be brought up to 320 schemes. This controlled roll out will

enable HMRC to test the stability of the system; it will also help to understand customer impacts.

Current planning is that by October 2012 1600 schemes will have migrated onto RTI; this will increase to 3, 500 by the end of the year.

HMRC are also working with the Department for Work and Pensions (DWP) to bring state pension payments into RTI. Forum members asked whether this might enable HMRC to inform pension providers when recipients have died. HMRC stated that this was something that had previously been suggested and would need to be considered as part of the more detailed follow-up workshop.

HMRC stressed that the IT, although not complicated, is big and that the biggest challenges are the changes to process and operations.

Further information is available on the HMRC website and customers can sign up for email alerts.

AP 07/1011: HMRC to provide the web address for RTI.

Register for e-mail alerts	www.businesslink.gov.uk/hmrcemployeremailalerts
RTI homepage	http://www.hmrc.gov.uk/rti/index.htm
FAQs for employers	http://www.hmrc.gov.uk/rti/employerfaqs.htm
Welfare Reform and Universal Credits	http://www.dwp.gov.uk/policy/welfare-reform/

AP 08/1011: HMRC to organise a workshop; members should send their questions to Jo Barlow by email.

Item 3: Updates and matters raised.

- (i) Review of guidance programme: AA/LTA, Age 75, RPSM and other outstanding policy related guidance has now been published.

HMRC thanked members for their input during consultation.

Work is continuing to re-design the Pensions pages of the HMRC website. Guidance that is out of date has been removed and the pages are being re-designed to make them easier to access and use.

The new guidance and web design will be aimed at non professionals but there will be a dedicated area for pension professionals.

A new structure for RPSM is also being developed.

AP 09/1011: HMRC to provide an update on AA/LTA at the next meeting.

AP 10/1011: HMRC to review AA/LTA examples included in the consultation material to make sure they are up to date and in usable format for customers.

AP 11/1011: HMRC to provide the web address for [RPSM updates](#):

- (ii) Fixed Protection Elections (FPE): the [form](#) for FPE has been published on the pension pages of the HMRC website and the submission period for applications has started. HMRC are expecting up to 70,000 forms by the 05 April 2012 deadline; further communications and publicity will be considered to remind people to submit their applications by the deadline.

Members said that arrangements for Defined Benefit (DB) schemes are a particular problem as the legislation is hard to understand; the benefit accrual test is also hard to apply.

Those eligible to apply may be stalling as a result; members expect that applications for those in DB schemes should start to come through from November onwards.

Members are keen to work with HMRC to try and resolve these issues; guidance explaining what Fixed Protection means and what customers will get out of it would be helpful.

HMRC explained that information is being produced and will be made available as soon as possible.

- (iii) Relief At Source (RAS) update: a workshop will be held once uncertainty around some potential solutions is understood. A discussion will probably also be required on the potential impact of proposals for a Scottish Income Tax.

Members raised a question about Flexible Drawdown guidance issued in [Pension Schemes Newsletter 49](#) outlining scheme administrator responsibilities. HMRC confirmed that the article was intended to help scheme administrators to ensure they would not be liable to a scheme sanction charge; that they only needed to make further enquiries into the validity of the minimum information (MIR) declaration if they were uncertain whether or not the member met the MIR requirements.

AP 12/1011: HMRC to provide further clarity to reassure members about how far a scheme administrator needs to go to protect themselves in this.

Item 4: New work and issues.

- (i) Asset Backed Contributions (ABCs): HMRC thanked those involved in recent consultation on ABCs. The responses to consultation are being considered; draft legislation will be published along with a summary of responses.
- (ii) Trivial Commutation: The quality of guidance on this subject is an issue. HMRC are working with Low Income Tax Reform Group (LITRG) and Tax for Older People (TOP) on this, a workshop is planned for November to look at improving guidance with a review of form P53 being an essential step.

AP 13/1011: HMRC to provide an update on Trivial Commutation at the next meeting.

- (iii) AA/LTA: HMRC asked members to provide details of current issues around AA/LTA to Jo Barlow by the end of October.

Item 5: Forward look

Members identified the following issues:

RTI update
Update on Scottish Income Tax
Update on RAS
Update on Trivial Commutation
Guidance update
Disguised remuneration
FA04 spouses pension age over 75
Output on 2000 pot for personal pensions
Bridging pensions and issues with DWP

Item 6: AOB

Members asked if there are plans to change the GAD tables to make them more gender neutral based on the rise in pension age for both men and women. HMRC confirmed that there are no current plans to change the tables.

Email contact details for Pensions are:

jo.barlow@hmrc.gsi.gov.uk

graeme.hood@hmrc.gsi.gov.uk

Next meeting planned for 08 March 2012.

