HM Revenue & Customs

Minutes of meeting held on 15 April 2016

Place: HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Attendees:

Name	Organisation
Katharine Lindley	Association of Taxation Technicians
Dave Sadler	Aviva
Teresa Preece	Chartered Institute of Taxation
Ian Neale	Aries
Stacey Bradley	Zurich
John Dunkley	Society of Pension Professionals
Karen Goldschmidt	Association of Consulting Actuaries
Caroline McAllister	Association of Pension Lawyers
Larry Darby	The Low Incomes Tax Reform Group
Dave Roberts	Pensions and Lifetime Savings Association
Susan Cattell	Institute of Chartered Accountants of Scotland
Zachary Gallagher	Association of Member-directed Pension Schemes
Samantha Mann	Chartered Institute of Payroll Professionals
Vince Flanagan	Investment and Life Assurance Group
Rob Yuille	Association of British Insurers
Benjamin Mack	National Employment Savings Trust
Chas Roy-Chowdhury	Association of Chartered Certified Accountants
Anne Smith (Chair)	HM Revenue & Customs (HMRC)
Daniela Paul	HMRC
John Bhandal	HMRC
Paul Cottis	HMRC
Sarah Mee	HMRC
Michael Johnson	HMRC
Chris Nash	HMRC
Jack Collins	HMRC

Apologies from: Jo Gibson (HMRC), Kenn Taylor (TISA), Malcolm Small (IoD), Paul Garwood (ICAEW)

Agenda Item 1 Introduction, domestics and actions

1. The chair welcomed attendees, introductions were given and domestics were covered.

2. There was one outstanding action point from the last meeting, for HMRC to confirm to the Forum whether the Pensions Tax Manual will have a contents search function. The chair confirmed that the manual does have a contents search function and that an update on the Pensions Tax Manual would be given at Agenda Item 4. The outstanding action was closed.

Agenda Item 2 Pension Schemes Services - Policy Team Update

Finance Bill

3. HMRC explained that the Finance Bill is going through the parliamentary process but that at present HMRC can't provide a timetable for this.

4. HMRC explained that the Finance Bill included a number of amendments to the pension tax rules relating to pension flexibility.

Serious ill-health lump sums

5. HMRC explained that from 6 April 2016 the 45% tax charge for serious ill-health lump sums paid to individuals who have reached age 75 had been removed. Instead these lump sums will be taxable at the individual's/recipient's marginal rate.

Dependants' benefits

6. HMRC explained that changes had been made to allow individuals in receipt of dependant's drawdown pension funds or dependant's flexi-access drawdown fund to continue to receive these as authorised payments after reaching age 23. HMRC hoped that the changes had helped reduce some of the burdens and thanked those in the Forum for their involvement.

7. HMRC explained that other changes included changes to the tax treatment of charity lump sum death benefits so that these are treated the same if paid from uncrystallised or crystallised funds.

8. The trivial commutation rules have been amended to allow a trivial commutation lump sum to be paid from a money purchase scheme pension already in payment.

9. HMRC explained that there are a number of other areas that may need tidying but that the additional changes made were the priority changes. HMRC is aware of other areas which may need amending and will consider these in due course.

10. One problem raised at the last PISF relates to benefit crystallisation event 5D and problems regarding the funds available to pay the lifetime allowance charge from annuities on death. HMRC confirmed that this will be considered.

11. HMRC explained it will continue to monitor the pension flexibility rules and asked attendees to contact HMRC if there are any other 'snagging issues' pensions.policy@hmrc.gsi.gov.uk.

12. One attendee explained there was an issue with the legislation relating to different tax consequences where a 5 year guarantee is in place for pensions in payment but the member dies. The subsequent death benefit payment can be paid either as a defined benefit lump sum death benefit or a pension protection lump sum.

13. The attendee explained that the way the legislation works means that currently at the point that the death benefits are due to be paid out the dependant has a choice between receiving the benefits as a pension protection lump sum or a defined benefits lump sum death benefit and there are different tax treatments for each payment.

14. The attendee explained that if the payment is a defined benefit lump sum death benefit and the payment is made within the 5 year guarantee period it can be subject to the lifetime allowance tax charge at the time the retirement benefit commences but then be taxed again as a death benefit.

15. Whereas if the dependant opts for the payment to be paid as a pension protection lump sum death benefit it's treated differently and more favourably from a tax perspective. It will never be subject to the lifetime allowance charge.

16. The attendee asked whether there were any plans for the legislation to be changed so that the payment be treated as a pension protection lump sum by default.

17. HMRC explained that the legislation works as intended and no legislative change is needed because it provides the option to choose the type of death benefit payment. However HMRC will continue to monitor this.

18. Attendees raised a question about payment of uncrystallised funds pension lump sums (UFPLSs) and when a benefits crystallisation event (BCE) is deemed to have occurred - whether it's immediately before the payment rather than when the member became entitled to it.

19. Attendees explained that this is particularly an issue where the benefit crystallisation event occurs before the end of one tax year but the entitlement arises in the next tax year. Attendees explained that this caused problems in respect of the lifetime allowance and the taxation of pension income for accrual purposes.

20. Another attendee explained that it represents a new challenge for pension schemes as the timing of the BCE would seem to be in the hands of the payroll department.

21. HMRC explained that the pension tax rules set out how UFPLSs are treated for BCE purposes. The payment date is a matter of fact and so the BCE in respect of the UFPLS is the date the UFPLS is actually paid. HMRC said that guidance confirming the position on UFPLSs and BCEs would be included in the next Pension Schemes Newsletter.

22. One attendee asked about serious ill-health lump sums and whether they can be paid out of crystallised or uncrystallised benefits. The legislation allows for payments from uncrystallised rights only but the explanatory note suggests that this isn't the case so it is confusing.

    HMRC confirmed that changes in the Finance Bill allow those who have accessed part of their pension arrangement to take a serious ill-health lump sum from the remaining uncrystallised funds in that arrangement.

23. However HMRC explained that the change will not provide an extension to allow a serious ill-health lump sum to be taken from crystallised funds of any kind, including drawdown and flexi-access drawdown funds. HMRC will provide clarity on this in the next Pension Schemes Newsletter.

24. The change will take effect from the day after the Finance Bill completes the parliamentary process.

25. Another attendee explained that there was some difficulty around when the money purchase annual allowance applies and when a flexible annuity is bought on the open market. There is an obligation on the ceding provider to report this to HMRC but the ceding provider may not know if it's a flexible payment and therefore subject to mandatory reporting so switching the reporting to the annuity provider would solve the issue. HMRC said that they would continue to monitor how the reporting requirements work but that there are no plans to change the pension tax rules in this area at present.

26. HMRC explained that there are still small tweaks to the pension flexibility legislation that need to be made to ensure the legislation works as intended and asked attendees for feedback on any additional points to be sent to pensions.policy@hmrc.gsi.gov.uk .

Bridging pensions

27. HMRC confirmed that changes have been made for bridging pensions but understood that attendees may have some questions about how the legislation currently looks.

28. HMRC explained that currently it looks like we have removed the bridging pension rules from the legislation but that it had to be done this way to use the existing vires. Instead the bridging pension rules will sit in secondary legislation (it’s likely that the removed sections will be reproduced in

regulations with additional add-ons). HMRC explained that given the state pension changes it wants to make the bridging pension rules as simple as possible.

29. Attendees asked whether the legislation had disappeared - HMRC said technically no it's still there because the Finance Bill hasn't received Royal Assent yet (and this part of the Bill was not included in the Parliamentary Budget Resolution so is not in place temporarily). HMRC explained that pension schemes should carry on as they would normally and HMRC will ensure that no one will be disadvantaged in the meantime.

30. HMRC confirmed that the legislation will be there by committee stage and as usual the draft regulations will be published for informal consultation.

Lifetime allowance (LTA)

31. The lifetime allowance reduction took effect 6 April 2016. Fixed protection 2016 (FP2016) and individual protection (IP2016) are live. HMRC thanked forum members again for their input and feedback.

32. HMRC explained that there have already been quite a few applications under the interim process for applying for protection and that the process is working well.

33. One attendee pointed out that although the protection regimes mirror earlier protection regimes, this time round the open ended nature of the application makes it a different process for scheme administrators/pension schemes.

34. Attendees asked what the turnaround was like currently on the application process. HMRC explained that since the interim application process opened on 6 April 2016, around 530 applications had been received and over half of these had been processed. HMRC are up to processing applications received on 11 April.

Wider pension reforms

35. HMRC explained that the Chancellor had decided not to make any changes to the pension tax rules but had announced the introduction of a new savings product - the lifetime ISA. The lifetime ISA will allow savers to save for retirement and for a house without being forced to choose one or the other.

36. HMRC explained that whilst the lifetime ISA isn't a pension product, the Head of Pensions Policy for HMRC currently also has responsibility for Savings Policy so as the legislation develops if attendees are interested in providing feedback, they should contact the Pensions Policy Team at pensions.policy@hmrc.gsi.gov.uk .

37. HMRC explained that savers will be able to pay up to £4,000 per year into the lifetime ISA. HMRC will pay a 25% match (this is not a tax match). At age 60 there will be a bonus. This bonus will be maintained within the fund provided the holder withdraws the money in one of several authorised ways (including related to first time house buying or after reaching age 60). For withdrawals

the Government proposed a tax charge of 25% as well as other smaller charges.

38. Attendees asked how this interacts with auto enrolment - whether savers can have both products.

39. HMRC emphasised that the lifetime ISA and registered pension schemes are distinct and separate products. HMRC confirmed that savers can have both products but reminded attendees that ISAs can only receive savers' money not contributions direct from employers.

40. One attendee asked about whether, if an individual chose to opt out of auto-enrolment so as to receive salary instead which they could put into an ISA, could that individual later choose to re-join the pension scheme. HMRC confirmed that opportunity to re-join might be a matter of scheme rules, but in any case under DWP legislation every three years employers have to reenrol any member who has opted out (giving them the opportunity to opt out again if they so wish).

41. One attendee asked about the interaction between salary sacrifice and the lifetime ISA. HMRC explained that as things stand, ISAs can only receive individuals' money not employers. Salary sacrifice only works as a tax-saving vehicle if there is a National Insurance (NI) element that applies if moneys are applied as salary and does not apply if the moneys are applied by the employer towards something else. As the employer cannot pay money into an ISA, salary sacrifice wouldn't be in point. HMRC explained that there will be a general consultation about salary sacrifice later in the year.

Secondary annuities

42. HMRC explained that the technical consultation document on secondary annuities is due to be published in the next couple of weeks and encouraged forum members to comment on the technical detail of how the secondary annuity rules will work.

43. HMRC also explained that it plans to hold the usual stakeholder and customer meetings as part of the consultation process and that forum members should contact HMRC at pensions.policy@hmrc.gsi.gov.uk if they want to take part in these.

Tapered annual allowance

44. HMRC explained that the tapered annual allowance legislation took effect from 6 April 2016 and that the associated information regulations were made and laid last month.

45. HMRC confirmed that following feedback the requirement for occupational pension schemes to provide members with a statement if their income was more than £110,000 would be disproportionate and burdensome. HMRC dropped this requirement. Attendees asked if there were any plans to revive

this requirement and HMRC confirmed that there were none.

46. One attendee explained that there was some confusion around scheme pays and how this interacts with the tapered annual allowance legislation, particularly when an individual can claim mandatory scheme pays. HMRC explained that the requirement would centre on whether the individual had a pension income amount in a scheme of more than £40,000 (not on whether the pension income amount was more than their personal tapered annual allowance).

    HMRC is aware that currently some people can't claim scheme pays and explained that whilst there are no plans to revisit the legislation in respect of this, HMRC continues to monitor how this is working and welcomes feedback on this to pensions.policy@hmrc.gsi.gov.uk .

47. HMRC will provide clarification on scheme pays and how this interacts with the annual allowance in the next Pension Schemes Newsletter.

48. The forum asked about guidance on salary sacrifice and the tapered annual allowance. HMRC will consider including guidance on this in the Pensions Tax Manual.

Qualifying recognised overseas pension schemes

49. Attendees asked what happens if they have concerns about certain countries/schemes on the recognised overseas pension scheme (ROPS) notifications list and what HMRC do about these.

50. HMRC explained that the ROPS notifications list is continually monitored and where there is substantive evidence to suggest that schemes do not meet the requirements to be on the list, HMRC takes action to remove these.

51. HMRC encouraged attendees to continue to forward concerns and explained that these would be considered as part of the monitoring and review process.

52. HMRC asked attendees about what pension scheme administrators tell members transferring overseas if they know or suspect that it's to immediately access their pension savings.

53. Forum members said that scheme administrators spell out the consequences of unauthorised payments/unrecognised transfers but that this doesn't prevent people from taking them.

54. Attendees asked whether HMRC are aware of the rules regarding French pension schemes (French legislation allows benefits to be taken early in some circumstances). HMRC explained that it is aware of rules from schemes from a number of different countries and continues to review the ROPS notifications list. HMRC asked that if attendees find out specific details of schemes and rules, to send these to HMRC to review.

Agenda Item 3 Pension Projects Update

Lifetime allowance

55. HMRC explained that the lifetime allowance interim paper process for applying for protection is up and running and applications have been received and are being processed and that the online service for members would be live by the end of July 2016.

56. Attendees asked what the tax consequences are if individuals who have successfully applied for protection under the interim process and have a temporary reference number, don't go online to apply for a permanent reference number.

57. HMRC confirmed that pension savings for members who have applied for IP2016 or FP2016 protection using the interim application process, but who fail to follow this up with an online application would still be protected (providing these individuals have not lost their protection in the meantime), and there will be no tax consequences. HMRC said that this would be confirmed in the next Pension Schemes Newsletter.

58. However HMRC went on to explain that from August 2016 onwards, only permanent reference numbers will be recognised by HMRC. In addition, when the pension scheme administrator look up service becomes available, it will only validate permanent reference numbers.

59. HMRC explained that the shift to the online application process along with the link through to the Personal Tax Account is in line with HMRC's digital strategy

60. HMRC also explained that when an individual applies online for a permanent reference number, details of their IP2016 or FP2016 (and any previous lifetime allowance protections) will show in their personal tax account. Going forward, the personal tax account will be populated with more details for members to access at any time and HMRC asked Forum members to promote the benefits of applying online and obtaining a permanent reference.

61. HMRC explained that nudge letters will be issued to everyone who has applied for IP2016 or FP2016 through the interim process to remind them to go online to apply for a permanent reference number.

62. Attendees felt that including an individual's protection history on the personal tax account was positive.

63. Attendees asked when the scheme administrator look up service would be available. HMRC explained that this wouldn't be available from July 2016. HMRC explained that additional user research was needed to look at this part of the service but that the intention is to have everything in place from October 2016.

64. Attendees asked what scheme administrators should do in the meantime in verifying a member's LTA. HMRC expects scheme administrators to continue to carry out due diligence checking their members' protections

65. HMRC explained that in addition to the launch of the online application process for members at the end of July 2016, by the end of August IP2014 applications will also be included in the online service and individuals applying for IP2014 from this point will only be able to do so online.

66. HMRC explained that additional functionality will be added to enable individuals to amend their IP2014, IP2016 or FP2016 online and add pension debits in (members who want to do this before this goes live should contact HMRC).

67. Attendees asked what happens if a member loses protection before the online service goes live. HMRC confirmed that the member would need to contact HMRC about this but will be able to do this online as well as amend their protections.

68. HMRC asked attendees to encourage their members to register for and use their personal tax accounts. All kinds of information will be held on the personal tax account, not just pension protection information.

69. Attendees asked what happens if a member retrospectively applies for protection and explained that this would be burdensome and messy to unravel. HMRC said that if the scheme administrator could not verify the protection status of the member then the assumption should be that the standard lifetime allowance applies.

70. Attendees felt that the lack of deadline for making applications would make this scenario more common.

71. One attendee read out a number of points and HMRC asked that these be sent on to HMRC for consideration.

72. The first prototype of the online service is being tidied up and that HMRC hoped to be able to share this for testing to forum members within the next few days. HMRC asked that anyone interested in taking part in the user testing should contact Daniela Paul and Sarah Mee.

73. HMRC would like feedback on the content and flow of the prototype and in particular are interested to know whether testers feel that enough information is provided up front to enable successful completion of the online application process.

74. One attendee asked for an update on the function to allow trusted helpers to make applications/view details online. HMRC explained that due to the risk involved, the decision had been taken not to go for this option at this time.

HMRC explained that the possibility of an agent service to allow agents to be able to apply for protection on behalf their clients was being considered. HMRC is looking at how this would work and considering what information agents should be permitted to see as well as what the definition of an agent is for these purposes.

75. Attendees asked about people who are unable to apply online. HMRC explained that for these individuals there will be an alternative way to apply. This will mirror the process in place for IP2014 – HMRC will go through the security process with these individuals, take their details, process these and record digitally. These customers will then receive a letter with their reference number confirming protection.

Annual allowance (AA)

76. HMRC explained that a new annual allowance tool is currently under development. The tool is being created on the digital tax platform and will eventually feed into the Personal Tax Account.

77. HMRC expects a prototype for the tool to be available shortly and will circulate to forum members for feedback.

78. HMRC explained that the new tool will initially cover the 2015 to 2016 tax year but will be extended to cover the tapered annual allowance provisions for 2016 to 2017 in due course.

79. HMRC explained that the aim is for the tool to go live during the summer.

80. Attendees felt that the current tool is really useful and allows people to look forward to see what could happen based on certain contribution levels in the future.

81. HMRC reiterated the value of getting feedback from forum members and will circulate the prototype as soon as this is available.

82. Attendees asked whether the tax return designers were building in a function to allow members to see their threshold income/adjusted income at the touch of a button. HMRC attendees couldn’t confirm whether this is under consideration but will feed this back. HMRC felt it is unlikely that this will be included as a function.

Registrations

83. HMRC explained that the registration statistics will be published in the next Pension Schemes Services Newsletter.

84. HMRC confirmed that for 2015 to 2016 there were 4376 applications to register a pension scheme, a 43% reduction on 2014 to 2015.

Of these applications 91% were registered, 5% had registration refused and no decision had been taken on the remainder.

85. HMRC confirmed that since 2012 to 2013 there has been a decrease in total number of applications to register new pension schemes.

86. Attendees asked whether there are any emerging themes in the reason for refusing scheme registration. HMRC confirmed that decisions to register a pension scheme go through a strict risk assessment process which because of its nature, HMRC won't discuss.

87. Attendees asked how long registration takes. HMRC explained that it depends on how long the risk assessment process takes – if HMRC needs further information there can be delays whilst this is provided.

88. However if no decision has been made within 6 months this can be appealed as if the registration has been refused.

Pension flexibility

89. HMRC confirmed that the figures for the first year of pension flexibility payments as reported through data item 168 on RTI will be published on the national statistics part of the website on 27 April 2016.

90. HMRC explained that mandatory reporting for pension flexibility payments took effect from 6 April 2016 as did pension flexibility death benefit changes. HMRC confirmed that RTI had been updated to enable reporting of pension flexibility death benefit payments.

91. HMRC explained that there are additional forms available for individuals to reclaim repayments of tax following pension flexibility death benefit changes.

92. HMRC explained that there are still queries about data issues and asked for feedback to continue on this so that we can provide guidance and clarity. Attendees can email Mike Johnson at pensions.businessdelivery@hmrc.gsi.gov.uk .

93. One attendee asked for clarity about payment dates and when a member is deemed to become entitled to benefits under a contract. HMRC agreed to provide clarification in the next Pension Schemes Newsletter.

GOV.UK

94. HMRC explained that extensive changes were made to GOV.UK on LTA and AA, both to mainstream and to specialist content. HMRC confirmed that they know there are some amendments needed to this content and welcome feedback – this can be send to Sarah Mee at pensions.businessdelivery@hmrc.gsi.gov.uk .

95. Attendees said they were pleased that more content had been included on protecting pension savings but raised concerns that the IP2014 link to apply using the existing online form, appeared to be missing. HMRC confirmed that they'd check what had happened with the link and if missing would look to reinstate.

Agenda Item 4 Pensions Tax Manual Update

96. HMRC confirmed that the PTM has been live on GOV.UK since 15 December 2015 but that there were and continue to be problems including missing hyperlinks, incorrect headings and problems with formatting.

97. HMRC confirmed that work continues to identify problems with the PTM and are working to fix these problems. HMRC apologised for any inconvenience caused by this and asked for patience while these issues are fixed.

98. HMRC confirmed that updates had been made to the PTM to cover the changes to the annual allowance rules and pension flexibility death benefits.

99. HMRC explained that any comments about the content can be sent through to the PTM mailbox at ptm.consultation@hmrc.gsi.gov.uk .

100. Attendees fed back concerns about the PTM mailbox – and that emails submitted to the mailbox don't always seem to be actioned or replied to.

101. One attendee commented on the lack of information on lifetime allowance enhancement factors – the PTM has nothing in it for forum members to point to when they receive queries about this.

102. HMRC explained that this is on the radar and guidance in this will be included in future updates.

103. Attendees expressed nostalgia for the Registered Pension Scheme manual and noted that this had been archived making it difficult to access because all GOV.UK links redirect to the current guidance in the PTM.

Action point 1 - HMRC to circulate a link to the National Archives site where the archived RPSM currently sits.

Agenda Item 5 Raising technical pension queries with HMRC

104. Attendees had asked for this agenda item to be added due to problems encountered in raising technical pension queries and asked for clarification on the correct route to use. In the past attendees had used named contacts for technical guidance and asked whether there had been a change of practice.

105. HMRC explained that there hadn't been a change of practice and that contact routes had been covered in earlier Pension Schemes Newsletters. HMRC explained that there is no list of named contacts because different people move between different topics and roles and by emailing individuals directly there's a risk that queries get overlooked or stuck in people's own mailboxes.

106. HMRC appreciated that some attendees may have been used to dealing with named contacts in the past, however HMRC also explained that to ensure all customers are treated fairly and so that some customers aren't disadvantaged, this practice could not continue.

107. HMRC explained that there are a number of different routes for customer contact including the Pensions Helpline, the Policy mailbox for policy questions pensions.policy@hmrc.gsi.gov.uk, the PTM mailbox (ptm.consultation@hmrc.gsi.gov.uk) for comments on the pensions tax manual and the pension schemes mailbox (pensionschemes@hmrc.gov.uk) and online pro forma to submit queries in writing. HMRC confirmed that clarification on the correct routes for correspondence would be included in the next Pension Schemes Newsletter.

108. One attendee suggested that the online pro forma for submitting queries should be attachment enabled.

109. Another attendee asked about triage processes for queries that HMRC receive. HMRC explained that these are in place and that there are call and post classification tools that also help to monitor the types of queries received. This enables HMRC to identify themes, look at the guidance available and where relevant update the guidance with additional details to help customers.

110. HMRC reiterated that the HMRC published guidance should be the first point of contact.

Agenda Item 6 Scottish rate of Income Tax (SRIT)

111. HMRC confirmed that the Scottish Government have confirmed that the SRIT will be the same as the rest of the UK for 2016 to 2017.

112. HMRC is responsible for identifying Scottish taxpayers by address. HMRC issued letters to Scottish taxpayers in December 2015 encouraging taxpayers to update their addresses. Taxpayers will be able to check their tax code via the Personal Tax Account – Scottish taxpayers codes will show as 'S' codes.

113. HMRC explained that there had been an issue relating to the issue of 'S' codes and is aware that some customers who expected to receive 'S' codes didn't. HMRC is looking into this.

114. HMRC explained that there is a pension industry workshop about relief at source and SRIT due to be held in Newcastle on 18 May 2016. Attendance is by invite only and the Project Manager is due to issue invites to this soon. The workshop will cover the learning following user research, discussion about the digital service, discussion about data quality and the next steps on this work.

115. HMRC explained that going forward we are looking to engage with a wider section of the industry and attendees can email Daniela Paul or Sarah Mee at pensions.businessdelivery@hmrc.gsi.gov.uk to volunteer

Agenda Item 7 Any other business (AOB)

116. Attendees asked what the best channel is to use to flag up questions or perceived errors in the Pension Schemes Newsletters. HMRC confirmed that these should be sent to Daniela Paul and Sarah Mee at pensions.businessdelivery@hmrc.gsi.gov.uk .

117. Attendees asked what the position is regarding transfers that were made prior to schemes coming off the ROPS notifications list.

118. HMRC confirmed that if the pension scheme transferred after the 1 July 2015 these would be unauthorised payments.

119. Attendees reiterated the commercial relationship between the UK pension scheme, the member and the Australian schemes and questioned how funds returned to the UK scheme during a cooling off period would be treated, whether these would be classed as authorised or unauthorised.

120. HMRC commented that if the receiving Australian scheme gave cancellation rights and the monies were returned to the originating UK scheme within the period of the cancellation rights and the UK scheme accepted these, that these would not be treated as unauthorised payments.

121. HMRC will provide clarity on these in due course.

122. Attendees asked about changes to the APSS105 published in 2016 to 2017 and raised concerns that the information covered by the changes to this form may not be readily available. HMRC confirmed that claims made for 6 April to 5 May 2016 on the old APSS105 will not be rejected.

123. One attendee asked about individuals with pre A-day term assurance and how this sits with lifetime allowance and fixed protection - if premiums continue this means that members would be ineligible for the three forms of fixed protection. The attendees asked whether this was the intention and whether there is any intention to revisit this. HMRC explained that it continues to monitor how the pension tax rules work and encouraged the attendee to email Pensions Policy mailbox at pensions.policy@hmrc.gsi.gov.uk and they

will be considered.

124. Attendees raised the subject of pension scams and pension flexibility. Attendees also raised concerns about proposals that individuals can take £500 from their schemes to help pay for advice and expressed a worry that unscrupulous people may market to get their hands on this money. HMRC explained that this isn't a tax issue but will feed concerns through the cross cutting group and flag up to the Financial Conduct Authority.

125. HMRC confirmed that there will be a consultation on this point.

126. Attendees asked about progress on the Pensions Dashboard – HMRC confirmed that they are included in discussions about the digital development of this and are working with the Financial Services Team on this.

127. An attendee asked about pension flexibility and payments to trustees in bankruptcy.

HMRC confirmed that it had received queries about payments to trustees in bankruptcy which had highlighted differences in how the Pensions Industry treat these payments under PAYE and the CWG2 guidance was unclear on this point.

Some pension scheme administrators treat these payments as being made to non-individuals and tax it as basic rate by default. This is because payment isn't made to an individual and so there are no personal allowances to link the coding to. Other scheme administrators tax this as a payment to the individual that it originated from.

HMRC confirmed the pension pot is covered by the insolvency rules and is a PAYE issue. HMRC attendees had raised this with PAYE colleagues and confirmed that this should be treated as payment to a non-individual. HMRC confirmed that the CWG2 guidance had been updated to provide clarity on this point.

128. Following the recent Ombudsman's court case attendees asked about the statutory right to transfer and highlighted problems that this causes. HMRC explained that this is covered by DWP legislation so are unable to comment on this.

129. Attendees asked about Project Bloom meetings. HMRC confirmed that these are ongoing but explained that currently there is no industry representation at the meetings.