

Newsletter

Contents

- [1. New Business Head for Pension Schemes Services](#)
- [2. Changes to our 'contact us' internet page](#)
- [3. Fixed Protection 2014 and Individual Protection 2014](#)
- [4. Pension Liberation and our registration and transfers processes](#)
- [5. Scottish rate of Income Tax](#)
- [6. QROPS scheme manager ID](#)

1. New Business Head for Pension Schemes Services

Jo Gibson replaced Julie Elsey as the new Business Head for Pension Schemes Services in December 2013.

Message from Jo Gibson

I have recently taken over as Head of Pension Schemes Services with responsibility for policy and operational work in this area within HM Revenue & Customs (HMRC).

I know there have been a number of changes to the pension tax rules over the last few years including the most recent changes to the process for registering a pension scheme. Pension liberation continues to pose challenges to both HMRC and the pensions industry. I am keen to build on the joint work the industry, HMRC and other government departments and agencies have already been doing to combat pension liberation.

I look forward to picking up where Julie left off to ensure that there is an open dialogue between HMRC and the pensions industry to discuss pension tax issues and to build on the excellent working relationships already established.

2. Changes to our 'contact us' internet page

Since our current Helpline was set up in 2006 our customers and the subjects you telephone us about have changed significantly. The Helpline was originally established to answer quick questions from pension scheme administrators about the new legislation, help with completing returns and reports online and making repayment claims. We have since published lots of guidance to help you with these on our website.

Where the subject or question is more complex in nature we may ask you to put this in writing so that we can give you a considered reply. Our new [contact us](#) page sets out what we can deal with on our Helpline, what you will need to request in writing and where to find details of online guidance.

We are increasingly receiving calls from members and their representatives often asking for financial and tax planning advice or asking us to consider hypothetical situations. We cannot provide financial or tax planning advice or answer hypothetical questions. We are however able to direct you to the online guidance published by HMRC.

The Pensions Scheme Services Helpline is also unable to answer questions relating to clearance or approval of a transaction. Guidance on the situations where HMRC is able to provide a response in these circumstances can be found here: <http://www.hmrc.gov.uk/cap/nscq.htm> . If you require advance clearance or approval of a transaction or the clarification of guidance or legislation then you should put your request in writing ensuring that it meets all the requirements set out in this guidance.

Guidance on when you can rely on advice or information provided by HMRC can be found here: <http://www.hmrc.gov.uk/pdfs/info-hmrc.htm>

We will be carefully monitoring the way customers contact us to ensure we continue to provide good customer service.

3. Fixed Protection 2014 and Individual Protection 2014

Reminder to submit Fixed Protection 2014 applications by 5 April 2014

The window for applying for Fixed Protection (FP2014) closes on 5 April 2014. An online tool to help individuals decide whether they should apply for FP2014 can be found [here](#).

If an individual decides they want to apply for FP2014 they should notify HMRC by completing [this online form](#). Submitting the form online is secure, quick and easy to do and, unlike with postal applications, immediate confirmation of receipt is provided for online applications, along with a reference to assist with any future enquiries. This email will provide individuals with details of when they can expect to hear from us regarding their application and should be stored safely as proof of submission.

If the application for FP2014 is accepted, we will send a certificate to the individual which should be shown to their pension scheme administrator every time they take any benefits from their pension scheme. Where an individual has successfully applied for FP2014, to keep this protection there are restrictions on any tax relieved pension savings that they can make from 6 April 2014. More information about these restrictions and FP2014 can be found [here](#).

FP2014 is only open to individuals who don't on 6 April 2014 have any of the existing Lifetime Allowance protections, that is, primary, enhanced or fixed protection 2012. Individuals with these protections should check that the particular protection they have remains valid. If the existing protection is lost before 6 April 2014, then the individual will be able to apply for FP2014, giving them a protected lifetime allowance of £1.5 million from 2014-2015 onwards.

Individual Protection 2014

Even if an individual applies for FP2014, they will still be eligible to apply for Individual Protection 2014 (IP2014), if applicable. The [online tool](#) can also be used to help individuals decide if they want to apply for IP2014. The application form is expected to be available online from August 2014. Following the earlier consultation on the detail of IP2014, updated draft legislation was published on 10 December 2013. This can be found on the Gov.UK website [here](#). In addition, a separate document with guidance on IP2014 can be found [here](#). Please note this guidance was updated 7 February 2014.

4. Pension liberation and our registration and transfers processes

Pension liberation

As you will be aware, as part of HMRC's continuing strategy to combat pension liberation, on 21 October 2013 we made a number of changes to strengthen existing processes to deter pension liberation and safeguard pension savings. These changes related to new applications to register pension schemes and for dealing with requests for information about the tax status of a receiving scheme for a proposed transfer.

Further information about these changes was published on 21 October 2013 and can be found [here](#).

Pension scheme registration

On receipt of a new application, HMRC will review the application to make a decision on whether or not to register the pension scheme. In many cases we are writing out to the scheme administrator for further information to help us make this decision. Schemes have 45 days to submit the required information, or the application will be rejected. Only once we have carried out all necessary checks will a decision be made on whether to register a pension scheme.

At this stage it is too early to draw any firm conclusions as a result of these changes, as many new applications are still under review and therefore no decision has yet been reached on whether to register these schemes or not. However, early indications suggest that the number of new schemes applying for registration has fallen compared to the same period last year.

In total, for 2012-13 we received and registered 15,140 schemes, of which 4,067 were received in the period 21 October 2012 to 30 January 2013.

From 21 October 2013 to 30 January 2014, we received 2,717 applications to register new pension schemes. To date about 75 per cent of these schemes have been registered and we have refused registration for about 5 per cent of applications.

Prior to 21 October 2013 we received and registered 11,184 schemes.

Where we do not identify any problems at the initial risk assessment, around 90 per cent of schemes are being registered within 5 working days.

In future we will look to publish these figures twice yearly.

Pension scheme transfers

HMRC will respond to requests for confirmation of the registration status without seeking consent from the receiving scheme. However we will only provide confirmation where the receiving scheme is registered and the information held by us does not indicate a significant risk that the scheme was set up, or is being used, to facilitate pension liberation. Otherwise, a response will be issued setting out the conditions in which we will confirm registration status and explain that one or both of the conditions are not satisfied.

We have now introduced an email address for these requests. Requests sent via email must include a scanned copy of a letter requesting confirmation of the registration status of a scheme that you have been asked to make a transfer to, including all the relevant scheme details.

Email requests will receive a standard automatic confirmation of receipt, however we will only respond to these requests by post.

Online guidance will be updated in due course.

The email address is pensionschemes@hmrc.gov.uk.

If you have any thoughts or comments about these changes, please email Sarah Mee on sarah.l.mee@hmrc.gsi.gov.uk.

And if you suspect pension liberation, don't forget to pass on the message to us, as we have an active programme to tackle all attempted misuse or abuse of the pension tax rules. As part of this, we will continue to work to identify promoters and schemes which seek to abuse the pension tax rules. Whilst the vast majority of pension funds abide by their legal obligations, we won't hesitate to de-register a pension scheme where rules are not adhered to, and we will pursue the promoters of pension liberation schemes for all penalties due under the legislation.

In addition, we will take firm action and apply tax charges wherever there is abuse of pension tax relief – but it is far more important that individuals recognise the dangers of entering into these schemes and don't put their retirement savings at risk in the first place. We want to help make sure that individuals with pension savings are protected so that those savings are available to provide an income for the individual later in their life.

5. Scottish rate of Income Tax

In December 2013 HMRC published an update about the Scottish Rate of Income Tax and the impact on giving tax relief on pension contributions. You can read the update at this link [HM Revenue & Customs: Scottish rate of Income Tax](#).

We are continuing to work with the pensions industry to identify and work through operational issues. If you have any further feedback about this please email Karen Hopton at karen.hopton@hmrc.gsi.gov.uk

6. QROPS scheme manager ID

In [Pensions Newsletter 58](#) we explained that we would write to all QROPS scheme managers with their scheme manager ID and advised that when completing the

APSS262 and APSS263 forms up to December 2013 that the field requesting the QROPS scheme manager ID could be left blank.

We are aware that scheme managers are experiencing delays in receiving their IDs so if you do not have the QROPS scheme manager ID at the time you complete the paper version of the APSS262 or APSS263 you can continue to leave this field blank until further notice.