HM Revenue & Customs

Minutes of meeting held on 9 May 2018

Place: 100 Parliament Street, London SW1A 2BQ

Attendees:

Name	Company
Angela Anderson	PLSA
Paddy Millard	TOP
Katharine Lindley	ATT
Ian Neale	Aries
Stacey Bradley	Zurich
Carol Johnson	ABI
Karen Goldschmidt	ACA
Benjamin Mack	NEST
Susan Cattell	ICAS
Renny Biggins	TISA
Dave Sadler	Aviva
John Dunkley	SPP
Paul Garwood	ICAEW
Zachary Gallagher	AMPS
Lucy Dunbar	APL
Jo Gibson (Chair)	HMRC
Anne Smith	HMRC
Daniela Paul	HMRC
John Bhandal	HMRC
Jason Price	HMRC
Jamil Mohamed	HMRC
Sarah Mee	HMRC
Poppy Edwards	HMRC

Apologies from: Samantha Mann (CIPP), Larry Darby (LITRG), Chas Roy-Chowdhury (ACCA), Richard Wyatt (CIOT), Vince Flanagan (ILAG),

Agenda Item 1 Introduction, domestics and actions

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

2. HMRC apologised that the minutes weren't circulated and published straight after the last meeting. HMRC explained that the delay was due to the period of Budget purdah and other work priorities.

3. No-one had any comments on the minutes and HMRC will circulate and publish the minutes from this meeting sooner.

4. HMRC referred to the action points, two were closed and the two open actions will be covered off under agenda items 3 and 5.

Agenda Item 2 Pensions Policy Team update

Relief at source regulations – excess relief

5. HMRC apologised for the length of the consultation period regarding changes to the relief at source regulations. HMRC explained that there were a number of reasons that these weren't published for consultation earlier.

6. HMRC appreciates that the short lead in has caused concerns for the pensions industry, about the time it will take for pension scheme administrators to update their systems to provide the required information around excess relief at source.

7. HMRC explained that to address this, guidance to help pension scheme administrators had been issued in Pension schemes newsletter 97 - March 2018 - GOV.UK about transitional arrangements for the 2018 to 2019 tax year.

   For 2018 to 2019 scheme administrators who need to tell HMRC about excess relief at source they've claimed, should give as much information as they can about this in a schedule submitted with their claim form.

8. HMRC explained that for 2018 to 2019 a notification of excess relief won't routinely be rejected because not all the information needed had been provided in the schedule, but HMRC may contact scheme administrators to ask for more information.

9. HMRC confirmed that for the 2019 to 2020 tax year scheme administrators must submit all information about excess relief and HMRC won't accept a relief at source interim repayment claim if this is incomplete.

Overseas transfer charge and foreign pensions

10. HMRC explained that two sets of regulations in relation to foreign pensions came into effect from 6 April 2018. The first set relates to the transfer back of foreign funds from a qualifying recognised overseas pension scheme (QROPS) to a registered pension scheme and the second set relates to

how UK tax rules apply to funds held in foreign pension schemes that have received UK tax relief.

11. HMRC explained that there are two more sets of regulations that will be published in the latter part of the year. The first set for non-UK regulated pension schemes, to align the treatment of these schemes with how we treat UK based pension schemes.

12. This second set of regulations relates to the repayment of the overseas transfer charge where one of the exemptions from the charge is met after the transfer.

13. HMRC explained that these regulations are complex. HMRC will publish both sets of regulations later in the year for technical consultation.

14. One attendee explained that whilst there has been a lull in transferring to QROPS, the transfer activity will pick up again and that when it does these are likely to be transfers for large sums. This causes concern because the regulations are complex and this may impact on the scheme administration needed to manage these cases.

15. HMRC accepted that this is complex and asked attendees to email with any specific concerns in this area to pensions.policy@hmrc.gsi.gov.uk

Devolution

16. HMRC explained that work continues on devolution (Scottish and Welsh rates of Income Tax) and that for pension relief at source, this is complex.

17. HMRC is currently engaging with devolved authorities. HMRC appreciates that pension scheme administrators need certainty about this but has no additional information to share with the forum at this time. HMRC will continue to engage with the pensions industry on this and provide information as soon as this is available.

18. One attendee explained that they'd carried out work with pension scheme administrators to see how prepared they are for Scottish Income Tax and Welsh Income Tax. The attendee explained that feedback received from scheme administrators is that it may already be too late to have an orderly change to their systems for the 2019 to 2020 tax year. The attendee agreed to provide HMRC with this feedback.

19. HMRC asked if the attendee could ask scheme administrators if they'd be able to accept a C code for Welsh taxpayers, if this was added to the relief at source notification of residency status report.

Trusts Registration Service (TRS)

20. HMRC introduced the Trust Registration Service (TRS) last year to help trusts (including pension schemes set up as trusts) and the trustees (including pension scheme trustees) meet their obligations under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 when they've incurred a UK tax liability.

21. HMRC explained that the data from TRS is shared with UK law enforcement authorities.

22. HMRC explained that previous guidance created confusion about whether a registered pension scheme that's set up as an express trust needs to register on TRS as well as on Pension Schemes Online.

23. HMRC apologised for the confusion and explained that updated guidance for pension scheme administrators was included in Pension schemes newsletter 98 - May 2018 - GOV.UK.

24. HMRC confirmed that if a registered pension scheme on Pension Schemes Online is set up as an express trust, this does not need to be registered on TRS as well. If a pension scheme that is already an express trust is already registered on both Pension Schemes Online and TRS, the trustees don't need to do anything to keep details up to date on TRS. As long as the details are kept up to date on Pension Schemes Online, HMRC considers that the pension scheme and trustees have met their TRS obligations.

25. Attendees asked if they could be comfortable that this approach as set out in HMRC's updated guidance would be acceptable by law enforcement.

26. HMRC explained that whilst no formal conversations had been held with law enforcement, HMRC doesn't think there are significant data gaps that would undermine a law enforcement authority's ability to tackle the misuse of trust for money laundering or terrorist financing. HMRC will liaise with law enforcement but are confident that this approach will be accepted.

27. One attendee asked about pension schemes already registered on TRS that don't usually fill out returns. Attendees asked if pension scheme trustees can write to HMRC to confirm if a request to submit a return was issued in error.

28. HMRC confirmed that in these cases, pension scheme trustees should contact the Trusts helpline https://www.gov.uk/government/organisations/hm-revenue-customs/contact/trusts to cancel the return requirement.

29. HMRC confirmed that whether or not the pension scheme incurred a UK tax liability, the scheme trustees must keep the information required under

the money laundering legislation in written records and provide it if HMRC or a UK law enforcement authority ask for it.

30. Attendees welcomed the updated guidance and clarification from HMRC. Attendees asked when the draft guidance circulated after the last Pensions Industry Stakeholder Forum would be published as guidance on GOV.UK.

31. HMRC explained that it's currently working to get guidance published on GOV.UK and are hoping that this will be available in spring or summer.

32. Attendees asked if the pdf of the guidance could be shared more widely and HMRC agreed to circulate this to forum members.

Action point 1 – HMRC to circulate the pdf guidance on TRS to members of the Pensions Industry Stakeholder Forum. Closed – circulated to members of the Pensions Industry Stakeholder Forum on 5 June 2018.

Agenda Item 3 Pensions Project Team Update

Manage and Register Pension Schemes service

33. HMRC apologised for the late notice that the launch of the Manage and Register Pension Schemes service, due for 8 May 2018 had been delayed.

34. HMRC confirmed that the service will now be launched on Monday 4 June 2018.

35. HMRC explained that this delay was so that the end to end journeys through the new service could be tested.

36. HMRC confirmed that the information published in the Pension schemes Manage and Register Pension Schemes service newsletter - April 2018 - GOV.UK was still correct albeit with the later launch date.

37. HMRC explained that the remaining functionality for 2018 to 2019 included making amendments to pension schemes and pension scheme administrator details and the functionality to associate additional scheme administrators on the new service.

38. HMRC confirmed that from April 2019, work will start on the scheme reporting functions on the new service.

39. HMRC has provided updates on plans for the new service through industry workshops held last year and earlier this year and in pension schemes newsletters.

40. HMRC will continue to liaise with external stakeholders on the development of the new service. HMRC welcomed any feedback from the industry on the new service and will be holding further workshops with industry representatives in July 2018.

41. HMRC asked if attendees had any questions about the new service. Attendees confirmed that there weren't any.

<u>Annual allowance</u>

42. HMRC explained that the annual allowance calculator had been taken offline.

43. HMRC explained that work continues to update the annual allowance calculator. HMRC doesn't have a date when the calculator will be back online but expects this to be weeks, not days.

44. HMRC said that as well as updating the calculator, work to improve the layout and results page is also taking place based on customer feedback on this.

45. HMRC will to provide updates on this.

46. One attendee explained that they advise members to check the results from the calculator but asked if the results page is printable, whether the date that the results were printed could be added to the output.

47. HMRC will consider this as part of the updates and asked the attendee to put this request in writing to pensions.businessdelivery@hmrc.gsi.gov.uk

48. Another attendee explained that people don't really understand tapered annual allowance and the challenge in getting people to understand this before the end of their input period.

49. Attendees explained that it's particularly difficult for pension scheme members with unpredictable incomes and who have bonuses paid in March.

50. HMRC explained that following the feedback received on the complexities of annual allowance, specific guidance was published on the tapered annual allowance to explain this for those pension scheme members affected by the annual allowance.

51. HMRC welcomed and will consider any other suggestions regarding areas that cause problems for pension scheme members where additional guidance might help (for example any user needs that have been missed). Suggestions should be sent to HMRC by email to: pensions.businessdelivery@hmrc.gsi.gov.uk

52. Attendees raised a general point about guidance for complex subjects, that with the emphasis on plain English there's a concern that GOV.UK guidance repeats some of the information available in the Pensions Tax Manual but misses parts out. Attendees requested more links through GOV.UK guidance to the Pensions Tax Manual which provides complete information.

53. One attendee emphasised the member's statutory right to ask their pension scheme administrator for a pension savings statement and explained that due to complexities particularly around defined benefit schemes, the majority of these members can't work out their annual allowance correctly. The attendee explained that they discourage members from working out their own annual allowance/annual allowance tax charge and instead point them to their pension scheme administrator.

Action point 2 – HMRC to revisit the annual allowance guidance to explore whether links can be made through to the Pensions Tax Manual (particularly relating to tapered annual allowance).

54. Attendees asked for feedback on annual allowance for 2016 to 2017 and in particular information on the impacts of the tapering.

55. HMRC explained that it's too early to say, as the filing date for the return was 31 January 2018 and HMRC are still waiting for mandatory scheme pays to come through.

56. HMRC explained that there has been an increase in queries about voluntary scheme pays. HMRC are considering this and will look to provide better guidance around voluntary and mandatory scheme pays and the timing of payments of the annual allowance tax charge.

57. Attendees explained that paying the tax is an issue because if this can only done on the AFT, scheme administrators have to wait a whole quarter before they can pay this.

58. HMRC explained that scheme administrators have to decide for themselves which AFT to report and pay the tax charge on, however HMRC explained that pension scheme administrators can make a payment on account before they submit the AFT.

59. HMRC explained that the payment can be made on or before 31 January. If this is the case, the payment is on account before the AFT is submitted and once the AFT comes in, the amount reported as due and the tax charge paid will be married up.

60. HMRC explained that on the existing system it's harder to marry these up, but once the reporting and scheme accounting functions are available on the new Manage and Register Pension Schemes service, it will be easier for pension scheme administrators to pay on account and track the

payments they've made.

61. Attendees asked if payments on account (before the AFT is submitted) would stop interest payments.

62. HMRC confirmed that this was the case and explained that if it knows that there's a payment on account, this can be allocated once the AFT has been received.

63. One attendee explained that there are problems for members who work out and pay their own annual allowance charges on account because self-assessment assumes that the same payment will be made in future and in some cases the member could be charged interest.

64. HMRC confirmed that this is how self-assessment works.

65. Attendees expressed concern that this issue isn't visible to people. HMRC will consider this when reviewing annual allowance guidance.

66. One attendee asked for confirmation about the rate of interest charged and HMRC confirmed that this falls within the normal self-assessment charges. There is no special rate of interest for the annual allowance tax charge.

67. Attendees welcomed the amendment to the detail of events 22 and events 23 on GOV.UK guidance and were happy with the new, simple wording explaining these events.

68. Attendees asked if corresponding amendments would be made to the Pension Schemes Online service to correct the definition of the circumstances triggering an Event 22 and bring this in line with GOV.UK guidance.

69. HMRC explained that because work is focussing on development of the new Manage and Register Pension Schemes service, there would be no further changes to the existing Pension Schemes Online service but that this will be corrected on the new service.

70. HMRC published information about this in Pension schemes newsletter 79 - June 2016 - GOV.UK and provided the correct legislative reference.

71. HMRC will make it clear in the next newsletter that scheme administrators have to report under event 22 (and include the individuals details under event 22) to get to event 23.

Action point 3 – HMRC to reiterate event 22 and event 23 guidance in the next pension schemes newsletter. Action point closed – article included in Pension Schemes Newsletter 99.

72. Attendees felt that because the change would be a wording change to the Pension Schemes Online service that this would be an easy change to make.

73. HMRC explained that this wouldn't be easy to achieve because of the in-year compile function for the event report. So to make a change like this HMRC has a limited timescale, before 6 April 2018.

74. HMRC explained that as it's now past 6 April 2018, the earliest that the event report could be amended is 6 April 2019. However given the introduction of the new Manage and Register Pension Schemes service in June 2018 and the additional functionality in 2019 to 2020 to cover off reporting, HMRC explained that this wouldn't be an effective use of resource for such limited use.

75. Attendees explained that it would be helpful to have a way of managing expectations on how long it takes to make changes like this.

76. HMRC explained that service amendments have to be balanced and prioritised against other work on hand, for example priority is given to policy related IT changes with a legislative deadline.

77. HMRC explained that it can't provide a specific timetable for change as it will depend on where and how resource is deployed but will continue to be transparent about priorities and work.

78. HMRC explained that due to the age of the Pension Schemes Online service, amending the service is increasingly difficult but the new service will be easier to update.

79. Attendees welcomed the additional control that HMRC will have to amend the new service.

80. One attendee asked if HMRC could make a change to the AFT regarding help text that only appears when 'hovered' over. The text in the 'hover' box asks for the date the election is received but for voluntary scheme pays it's the date of the return not the date of the election. The attendee explained that because this is 'hover' help text not everyone will see this. The attendee requested that this be considered when including reporting on the new service.

81. HMRC agreed to consider this as part of the design of the new service. HMRC explained that there will be further industry workshops about development of the Manage and Register Pension Schemes service in July and asked any attendees to contact HMRC to be involved in these or with any feedback for the new service.

<u>Reporting of multiple small pots</u>

82. HMRC referred to the issue that pension scheme administrators have in reporting multiple small pots payments with similar payroll IDs.

83. HMRC explained that initial investigations indicated that because RTI matches on the first part of the payroll ID reference, where the ID is the same apart from the last few digits, RTI treats some reports of multiple small pots payments as duplicates.

84. HMRC has continued to investigate this issue and can now confirm that this isn't an RTI problem as first thought. It relates to the requirements for the P45 on another HMRC system and a problem with the end dates for these payments.

85. HMRC explained that because small pots payments are generally submitted as one payment with a leaving date, there is no existing employment on this system. So the system processes the FPS by transforming it into a P45 (and creating an employment) because there is no existing employment to match to.

86. If a second payment is received with the same end date but different payroll ID, the system matches this to the employment created for the first payment and treats this as duplicate because the cessation date matches. This will occur for all subsequent cases with the same end date where there's been no FPS starter submitted.

87. The system works for everything else but these specific small pots pension payments.

88. HMRC explained the [CWG2: further guide to PAYE and National Insurance contributions - GOV.UK] has been updated with guidance for pension scheme administrators reporting these types of payments.

89. HMRC said that feedback received is that changing the end date isn't that simple.

90. HMRC explained that a recovery scan was going to take place in the next couple of weeks that should fix this for existing payments. Running this scan on an annual basis is an option to tackle this issue.

91. HMRC asked for the volume of payments affected to establish the scale and impact of the problem and explained that this would help inform the solution; either run the scan annually or make a permanent change to the system.

92. HMRC aims to provide a revised message in the end of May pension schemes newsletter.

93. One attendee explained that customer enquiries are driven by HMRC contact and asked HMRC to brief contact centres about the issue.

94. HMRC representatives confirmed that they'll work with the relevant team on the revised message and cascade this to contact centres.

Action point 4 – HMRC to publish revised guidance on the reporting of multiple small pots payments in a pension schemes newsletter.

Reporting of non-taxable death benefits

95. HMRC confirmed that a fix for reporting non-taxable death benefits will be in place this summer. HMRC will confirm when this has been fixed in a pension schemes newsletter.

96. HMRC explained that this relates to P6 tax coding notices being issued by HMRC for death benefit payments that are entirely non-taxable. These notices aren't relevant to these non-taxable death benefit payments. HMRC advised scheme administrators to stop reporting these payments and to get in touch if they receive a coding notice.

97. Attendees noted that currently there is no legislative requirement to report non-taxable death benefits. One attendee asked whether HMRC would be changing the legislation to introduce this requirement.

98. HMRC confirmed that the legislation will be changed but couldn't provide information on timing of this. HMRC explained that the fix could be in before the legislation is available.

99. Attendees asked when HMRC expects the mandatory date for reporting these benefits will be. HMRC confirmed that it wouldn't be retrospective and will keep pension scheme administrators and attendees updated via the pension schemes newsletters.

Scottish Income Tax

100. HMRC said that pension scheme administrators should have received their notification of residency status reports. HMRC continues to liaise with pension scheme administrators about any issues and outcomes with these and will continue to work with the industry on Scottish Income Tax.

101. HMRC explained that work continues on making the journey end to end through SDES and making some changes for Scottish rate and to future proof this.

102. HMRC will be making some changes to the annual return of individual information (known as the RPSCOM100Z). HMRC will publish and share new specifications on this and will make changes regarding no National Insurance number and relating to employer contributions. HMRC will also add additional columns to the annual return to include what rate the scheme administrator has applied to that member and to indicate a C code for Welsh taxpayers.

103. HMRC asked how much lead in time pension scheme administrators would need to accommodate the changes.

104. Attendees asked for as much lead in time as possible and asked what the anticipated implementation date is for these changes.

105. HMRC couldn't confirm this but explained that it won't be for the annual return due in July 2018. HMRC will ask the project team and provide updates on this in pension scheme newsletters.

106. HMRC reminded attendees that submission of the annual return of individual information via SDES is mandatory from April 2019.

107. HMRC also confirmed that only structured data will be accepted from 2019.

108. Attendees explained that even subtle changes, for example changing field widths, are actually quite big things in terms of system changes and that scheme administrators need as much lead in time as possible. Attendees asked for an understanding of what was changing.

109. Attendees asked HMRC if there was another option if the information isn't available in time for pension scheme administrators to make the changes to their systems. Attendees explained there are impacts on relief at source schemes if the annual return fails.

110. HMRC will liaise with the project team on this and pull together a high level outline of the current thinking for pension scheme administrators and will ask for this to be included on the agenda for the next relief at source/Scottish Income Tax user group call.

Action point 5 – HMRC to update pension scheme administrators on this at the next industry user group call

111. One attendee asked how scheme administrators fulfil the declaration of accuracy within the current specification – it's not in the current SDES functionality.

112. HMRC will build a new annual return of individual information. This won't be for the 2017 to 2018 annual return, it would only be for the 2018 to 2019 annual return onwards.

113. Attendees welcomed the high level view of changes in the pension schemes newsletters but explained that even the smaller changes need to be detailed because these have caught scheme administrators out.

114. HMRC has learnt lessons from this first year of the new process and has a better understanding of the issues facing pension scheme

administrators.

115. HMRC appreciates that scheme administrators need time to ready their systems and will continue to take a pragmatic approach and work with the pensions industry on this.

116. One attendee asked if HMRC is planning to make any changes to the APSS107 form, for example splitting the information down.

117. HMRC said that no changes were planned to this form at the minute but if changes were to be made, HMRC will publish them in draft first and won't change this until April 2019.

Recognised Overseas Pension Schemes (ROPS) notifications list

118. HMRC said that one attendee had asked for details of what schemes have been added and what schemes have been removed from the ROPS notification list every two weeks.

119. HMRC explained that these details used to be published when the list was published in pdf format. Initially when the format of the list switched from pdf to html on GOV.UK, HMRC published these details in the publishing change note.

120. HMRC explained that removing these details is in line with Government Digital Services publishing standards.

121. The ROPS notifications list is the list of those overseas schemes that notify HMRC that they meet the conditions to be a ROPS and have indicated to HMRC that they want to be on the list. There are overseas schemes that meet the conditions to be a ROPS but choose not to appear on the list. HMRC explained that publishing those schemes added to the list can be seen as endorsing or recommending those schemes.

122. Similarly, although HMRC removes schemes from the list this may be because they've opted to come off the list and not because the scheme ceases to be a ROPS.

123. HMRC is currently exploring the option of retaining a small history of the list, for example three month's worth for comparison purposes but can't guarantee that will be possible. HMRC will keep attendees and scheme administrators updated on this.

Lifetime allowance

124. HMRC explained that they'd received a request to look at updating the guidance on when pension scheme members can make an application for protection after a BCE occurs. HMRC explained that the guidance reflects the legislation.

125. HMRC explained that it wouldn't be proportionate to amend the legislation in these cases and because the guidance reflects the legislation, HMRC won't make any changes to the guidance.

126. One attendee pointed out that there was no end date for 2016 protections so this was possible. HMRC apologised for giving the impression that further guidance would be available on this and explained that members should be encouraged to get their applications for protection in before any BCEs occur.

Agenda Item 4 De-registration

127. HMRC have reviewed the queries received about de-registration and the common theme amongst these relates to how HMRC will use its de-registration powers to de-register schemes.

128. HMRC explained that there is extremely rigid governance around scheme de-registration and the decision whether to de-register a scheme is considered carefully by a number of key stakeholders.

129. HMRC explained that the extension to its de-registration powers (extended to cases of the scheme administrator being not fit and proper, as well as other anti-scamming measures and with a new provision about schemes with dormant employers) does not alter the process for considering de-registration.

130. Attendees explained that small schemes are particularly worried about the dormant employer rules and are concerned that a scheme with a dormant employer may be more likely to be de-registered. Attendees pointed out that having a dormant employer is listed in law with other more serious reasons for de-registration.

131. Attendees explained that there are legitimate reasons why a scheme may have a dormant employer.

132. HMRC reassured attendees that a scheme having a dormant employer would not automatically result in de-registration and will look at the guidance in the Pensions Tax Manual.

133. HMRC explained that the entry point for consideration isn't that the company is dormant but that it (or an entity relating to the scheme) has done something wrong. HMRC doesn't look at one thing in isolation.

134. HMRC explained that the de-registration of a pension scheme is a lengthy process. The HMRC panel carefully considers the decision, reviewing all of the facts including the conduct of the trustees. If the decision is taken to de-register a scheme, the scheme administrator can appeal this decision and the scheme won't be de-registered until the

appeal has been considered and a decision has been made.

135. One attendee mentioned the de-registration statistics and asked about the reduction in applications to register a pension scheme. The attendee asked if HMRC knew if a particular behaviour was triggering this reduction.

136. HMRC explained that changes to the registration process since 2013 have made the process much more robust, meaning that only genuine schemes get through. This, coupled with publicity around HMRC successes at tribunal, is encouraging people to stay with their existing, pension providers rather than risk moving elsewhere. HMRC prefer this than chasing members for a 55% tax charge.

137. HMRC sees this as very positive and is protecting those pension schemes (and their members) that are genuine.

138. HMRC cautioned that the statistics don't cover de-registrations, just refusals to register.

139. One attendee asked if this means that the time it takes for a scheme to be registered will increase.

140. HMRC will take the time it needs to consider an application to register and has to be reactive to pick up the right cases. HMRC can't give any guarantee that the process is going to be any quicker.

141. HMRC confirmed that the timescales are set out in legislation and will adhere to these.

Agenda Item 5 Genuine error

142. At the last Pensions Industry Stakeholder Forum, HMRC resisted changing the guidance on genuine error. HMRC explained that following an ongoing conversation with attendees, HMRC will publish an article about this in the pension schemes newsletter.

143. On review, HMRC has found that there are more instances of independent financial adviser error against clear instruction from the member, particularly relating to electronic methods rather than letter.

144. HMRC will make it clear in the next pension schemes newsletter that if there was clear instruction (and evidence of this), that this was spotted immediately and that the member's position was restored to the state it was before the error took place, this would fall within the genuine errors guidance in PTM. HMRC reiterated that this does not apply if the member changes their mind.

145. In cases of genuine error the payment must be completely reversed.

146. Attendees welcome this

Agenda Item 6 Any other business

RTI and pension schemes

147. One attendee asked about RTI and whether there's a project to look specifically at RTI for pension scheme administrators.

148. HMRC explained that work is ongoing in this area. HMRC representatives offered to speak to its project team and ask the team to contact the attendee.

149. HMRC is keen to help pension scheme administrators and is considering how to do this. Ideas include a bespoke pension version of the CWG2.

150. The attendee explained that RTI is inherently problematic for pensions and pension scheme administration.

151. HMRC will do what it can to look at improving things for pension scheme administrators but explained that in terms of the wider department, this represents a small customer base. HMRC representatives are working with other areas of the department to see what can be done. HMRC asked for evidence on what doesn't work for pension scheme administrators including numbers/volumes of cases.

152. One attendee highlighted a problem where pension scheme members are taking a one off pension income payment at the beginning of the tax year but once they've claimed the tax back, end up with more back than they needed.

153. HMRC explained that this is in line with PAYE and confirmed that people can claim any tax due back and this will be repaid within 30 days of HMRC receiving the claim. HMRC is currently repaying 98% claims within this 30 days.

154. One attendee asked if dynamic coding could be used, but HMRC explained that this would require changes to PAYE and would not be a quick fix.

155. HMRC explained that dynamic coding is new and hasn't been used long enough to understand what the impacts would be for pension customers. For now this is on hold due to Brexit.

156. HMRC explained that at present there isn't a better solution.

Annual return of individual information – temporary address

157. One attendee explained that some pension scheme members don't have a permanent home address (for example, they may live in a hotel or hostel) and asked what address scheme administrators should use on the annual return of individual information.

158. HMRC explained that scheme administrators should use the current address that they hold for the scheme member even if this is a temporary address. As with other information on the annual return of individual information, if this doesn't match the information HMRC holds, it won't create a match for the member.

In specie net contributions and tax relief

159. One attendee asked if HMRC is planning to provide any guidance on in specie net contributions and tax relief.

160. HMRC explained that there were no plans to do this before the next Pensions Industry Stakeholder Forum.

Net pay arrangement

161. One attendee asked about issues highlighted by the press with the net pay arrangement and low earners and asked if there are any plans for a change in the rules.

162. HMRC is aware of the interest in net pay arrangement for low earners and agreed that it's a complex issue. HMRC can't provide an update at this time. HMRC will update attendees as if this changes.

Excess relief schedule

163. One attendee explained that scheme administrators are concerned about the excess relief schedule.

164. The attendee explained concerns about what HMRC will do with the information and asked if there are any plans to have mandatory specifications for this information.

165. HMRC confirmed that the legislation sets out the information that scheme administrators must supply but not the format. Under the transitional provisions for 2018 to 2019, HMRC want scheme administrators to provide as much information as they can.

166. HMRC explained that if the strategic solution is to supply this digitally, it would look to amend legislation to specify the format as well as the information.

167. One attendee asked if they could send the information to HMRC in password protected format and then send the password to a separate

email address. HMRC confirmed that scheme administrators can do this.

Tapered annual allowance guidance

168. One attendee asked HMRC to coordinate PTM updates with guidance published in the pension schemes newsletter. The attendee explained that there can sometimes be a time lag before the PTM guidance is updated.

169. HMRC explained that the newsletter isn't designed as guidance but is a way to provide news and updates quickly.

170. HMRC explained that due to the process for updating the PTM, updates can't always be made quickly. HMRC is working on streamlining this process to make it quicker. HMRC confirmed that the PTM is a specialist document.