

## Karen Goldschmidt (LCP)

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**Subject:** FOR THE ACA APL WEBSITES

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**From:** samantha.skill@hmrc.gsi.gov.uk [mailto:samantha.skill@hmrc.gsi.gov.uk]  
**Sent:** 13 May 2016 08:51  
**To:** Karen Goldschmidt (LCP); paulcottis@hmrc.gsi.gov.uk  
**Cc:** Claire.vanRees@sackers.com  
**Subject:** RE: Temporary registration numbers ( Pension schemes newsletter 76 - February 2016) - now urgent

Karen

I am pleased to be able to confirm that we are happy for you to publish the information in the attachment to your email of 5 May 2016, on the Association of Pension Lawyers and the Association of Consulting Actuaries websites. We hope to be able to publish Newsletter 78 shortly.

Kind regards

Samantha Skill  
Pension Policy Adviser

HMRC | Savings & Pensions Policy Team | FitzRoy House | Castle Meadow Road | Nottingham | NG2 1BD | [www.gov.uk](http://www.gov.uk)

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INTERMEDIATE EMAIL DELETED BY KG

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**From:** Karen Goldschmidt (LCP)  
**Sent:** 05 May 2016 17:42  
**To:** [paulcottis@hmrc.gsi.gov.uk](mailto:paulcottis@hmrc.gsi.gov.uk)  
**Cc:** [Claire.vanRees@sackers.com](mailto:Claire.vanRees@sackers.com); 'samantha.skill@hmrc.gsi.gov.uk'  
**Subject:** RE: Temporary registration numbers ( Pension schemes newsletter 76 - February 2016) - now urgent

Dear Paul (in the absence of Samantha on leave)

Thank you and Samantha for the exchange of correspondence we have had with HMRC in the last few weeks, about Temporary Registration Numbers, which I have discussed with the Association of Pensions Lawyers.

The correspondence has been very useful on (a) how HMRC sees these Protections operating validly under the law in place; and (b) information to scheme administrator who have concerns about the Temporary Numbers and what happens if a member uses one to support a BCE but then does not go on to get a Permanent Number on line

In the interest of brevity, I have below created a composite of extracts from the correspondence. I would be grateful if you could confirm that the Association of Pension Lawyers and the Association of Consulting Actuaries can copy the version of the email trail (and your confirmation) to our members (and others) via our websites?

I attach a marked up Word document to show how I have curtailed our correspondence - I would not share the Word document but I hope it will speed your review to check that the below is an appropriate reflection of the correspondence.

There is one sentence in the correspondence which was unclear and we have proposed replacing that text. I have highlighted this in yellow in the Word attachment but simply included it in the below – so your confirmation, if given, would encompass this clarification.

As ever, I have copied this email in to Claire van Rees of the Legislative and Parliamentary Committee of the APL.

Best wishes

Karen

**Karen Goldschmidt FIA**

Partner

Lane Clark & Peacock LLP

Direct: 020 7432 6622

[www.lcp.uk.com/karengoldschmidt](http://www.lcp.uk.com/karengoldschmidt)

### **Acting as Chair of the Pensions Taxation Committee of the Association of Consulting Actuaries**

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**From:** [samantha.skill@hmrc.gsi.gov.uk](mailto:samantha.skill@hmrc.gsi.gov.uk) [<mailto:samantha.skill@hmrc.gsi.gov.uk>]

**Sent:** 20 April 2016 09:19

**To:** Karen Goldschmidt (LCP)

**Cc:** [paulcottis@hmrc.gsi.gov.uk](mailto:paulcottis@hmrc.gsi.gov.uk); [Claire.vanRees@sackers.com](mailto:Claire.vanRees@sackers.com)

**Subject:** RE: Temporary registration numbers ( Pension schemes newsletter 76 - February 2016) - now urgent

Karen

As confirmed in my earlier email, scheme administrators can rely on a temporary reference in exactly the same way as a permanent reference up to 31 August 2016. Temporary references are being issued under the "other means" set out in legislation, as you suggest in your point 1 below.

Whilst we have not set out in legislation that temporary references can be withdrawn, we do not want individuals to expect to rely on them after 31 August 2016. The service improvements we are planning for scheme administrators and individuals - being able to look up details of LTA protections on line - all rely on applications being made using the online system, and the format of the permanent reference. We are therefore keen to press scheme administrators and individuals to obtain and use permanent reference numbers once the digital service is available.

In relation to ... BCEs that have taken place under the auspices of a temporary reference number, [insert from later email from Samantha] there may be reasons why HMRC would look again at a BCE and the LTA charge on that BCE, but it would not be because the member had failed to obtain a permanent reference number.

Thank you for pointing out the omissions in the proformas, we will update them as soon as we can. We do not intend to pursue the missing information from those applications made before the update is issued. If any individual is found to have been ineligible for protection as a result of the missing information, HMRC will as always consider the facts of the case to determine what compliance action to take. [replaced sentence] HMRC would not take action against scheme administrators purely because of missing information in the member's application for temporary protection (although there may be other reasons for taking action against a scheme administrator).

Kind regards

Sam Skill  
Pension Policy Adviser

HMRC | Savings & Pensions Policy Team | FitzRoy House | Castle Meadow Road |  
Nottingham | NG2 1BD | [www.gov.uk](http://www.gov.uk)

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**From:** Karen Goldschmidt (LCP)  
**Sent:** 07 April 2016 23:23  
**To:** 'samantha.skill@hmrc.gsi.gov.uk'  
**Cc:** Cottis, Paul (CAR Pensions); Claire van Rees  
**Subject:** RE: Temporary registration numbers ( Pension schemes newsletter 76 - February 2016) - now urgent

I have just noticed the following words on the new "plain English" HMRC webpages which I think is not valid (although I am sure schemes, should/would be quite prepared to push back on a member after 31 August if they try to use the temporary number a second time)

### **"Apply for protection**

From July 2016, you'll be able to apply for protection using an online service. But until then, you'll need to apply for temporary protection by [writing to HMRC](#). **This protection will only last up until 31 August 2016.**"

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**From:** Karen Goldschmidt (LCP)  
**Sent:** 07 April 2016 10:43  
**To:** 'samantha.skill@hmrc.gsi.gov.uk'  
**Cc:** Cottis, Paul (CAR Pensions); Claire van Rees  
**Subject:** RE: Temporary registration numbers ( Pension schemes newsletter 76 - February 2016) - now urgent  
**Importance:** High

Sam

Many thanks for your reassurance below that "The position is that where a temporary reference number for FP16 or IP16 is provided, pension scheme administrators can rely on this in exactly the same way as they can rely on a permanent reference number" and thanks for confirming that it will appear in a Newsletter soon.

I have sought input on this issue from the Association of Pension Lawyers and based on my discussions with them, we think we need to get confirmation out as soon as possible on the operation of the temporary reference number process, so that schemes know they have a basis for relying on temporary reference numbers when putting benefits into payment before the Finance Bill becomes an Act. Without this, legal advisers may advise schemes to refuse to recognise the temporary reference numbers and treat members as not having protection until they apply via the online process for permanent reference numbers. This is likely to cause issues for affected members wishing to get access to their pension benefits before August.

In order to speed matters up pending a Newsletter update, are you able to email back (a) confirming HMRC agree the following points; and (b) confirming that the Association of Pension Lawyers and the Association of Consulting Actuaries can copy this email trail and your confirmation to our members (and others) via our websites? You will see from the bit in red below that I do intend to curtail the trail to cut out earliest discussions.

I have copied this email in to Claire van Rees of the Legislative and Parliamentary Committee of the APL.

### Points to be confirmed by HMRC

1. HMRC can and will use the provisions in the Schedule to the Budget resolution passed on 22 March 2016 and, once the Finance Bill is passed, in Finance (No 2) Bill 2015/16 I Part 3 para 14 (2) and (3)(c) to authorise the temporary reference registration process. The provisions in bold in the wording below highlight the relevant provisions (ie HMRC will authorise applications via the temporary registration process as an "other means" for making a valid application):

"(1)An individual has a reference number for the purposes of paragraph 1(2), or for the purposes of paragraph 9(2), if a reference number-

- (a)has been issued by or on behalf of the Commissioners in respect of the individual for the purposes concerned, and
- (b)has not been withdrawn.

(2)Such a reference number-

- (a)may include, or consist of, characters other than figures, and
- (b)may be issued **only if a valid application for its issue is received by or on behalf of the Commissioners.**

(3)A valid application is an application-

- (a)made by or on behalf of the individual concerned,
- (b)made on or after 6 April 2016,
- (c)made by means of a digital service provided for the purpose by or on behalf of the Commissioners, **or by other means authorised in a particular case by an officer of Revenue and Customs"**
- (d)containing" etc

And see the following setting out the Budget resolution and Schedule:

<http://www.publications.parliament.uk/pa/cm201516/cmhansrd/cm160322/debtext/160322-0004.htm#16032252000010> and

<http://www.publications.parliament.uk/pa/cm201516/cmagenda/br160317v3.pdf>

The authorisation by HMRC will either be via a single authorisation under these powers that applies to all applications under the temporary process, or else each case will be authorised separately (and ideally can you let us know which)?

2. Your Newsletter 77 spells out the contents to include when applying for a temporary reference number. However, Newsletter 77 does not appear to entirely reflect what is set out in the schedule to the Budget resolution or the Finance Bill – see our comments in the section at the end of this email. Can you confirm HMRC will update the pro forma letters in Newsletter 77 asap to reflect the omissions?

In addition, we have noticed that some additional webpages were published yesterday with lists of information that members have to provide to get temporary protection:

<https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance>. We have not had time to check these against the requirements of the provisions in the Schedule to the Budget resolution or the Bill, but on a quick look it appears that they may omit some additional requirements that are covered by Newsletter 77 (although some of the omitted items have been covered). Can you confirm these will be updated asap to reflect the requirements of the Schedule to the Budget resolution and the Finance Bill?

If an individual sends you in an application that only contains what is in the Newsletter and webpage currently, presumably you will ask the member to give the extra items so that you can accept that as a valid application?

3. 3. The circumstances in which it is stated in the schedule to the Budget resolution/the Bill that such a reference number could subsequently be withdrawn do not include where a member fails to subsequently register via the online process. This means that the "temporary number" will give the member long-term protection in the same way as the permanent long-term number.
4. So if an individual gets the temporary number but does not proceed to do an on-line registration **(not a situation HMRC or schemes wish to encourage, but a possibility that was of concern to schemes and therefore needs absolute clarity)** this will not cancel the protection set up from the temporary number (although it may make it difficult to manage!). In particular and crucially: BCEs that have already happened since 6 April 2016 and been processed using the protection status given by the Temporary Number will NOT (all else being equal) retrospectively fall to be treated under a different protection status instead. Schemes (and members) will still be able to rely on the temporary number (and the protection set up thereby – subject to the same conditions as for on-line numbers) beyond 31 July 2016, notwithstanding implications to the contrary in previous HMRC newsletters. HMRC will clarify this in a future newsletter/revisions to the PTM manual.  
(We are sure that schemes will do their best to encourage members with the temporary numbers to proceed to make the on-line registration, but the above is needed reassurance IN PARTICULAR IN RELATION TO THE BCEs NOTED ABOVE – where the member does not cooperate.)

### **Mismatch between Newsletter 77 application wording and requirements of a valid application under the Schedule to the Budget resolutions/the Finance Bill provisions**

If the intention is that Schemes can rely on the temporary reference numbers by virtue of HMRC deeming this process to be a valid application process under the provisions highlighted in point 1 above, then we think the application wording set out in Newsletter 77 needs to be changed, as soon as possible, to fully reflect the requirements set out in the Schedule to the Budget resolutions for a valid application. Points we think are currently missing or mismatched from Newsletter 77 appendices 3 and 4 are set out below.

#### Both FP2016 and IP2016

Need to add:

- Title (required by para 14(3)(d))
- Full name (not just first name and surname)
- Email address (required by para 14(3)(d))

Also:

- The final declaration in Appendix 3 and 4 of Newsletter 77 says "The information I have provided is correct to the best of my knowledge and belief". However, the requirement specified in para 14(3)(d)(iv) is to declare that it is "true and complete", not that it is "correct".

#### FP2016

- Confirmation required that, on 6 April 2016, the individual has one or more arrangements under a registered pension scheme or a relieved non-UK pension scheme of which the individual is a relieved member (required by para 14(3)(e)(1) which refers to conditions specified in para 2, this is the first condition specified in para 2)
- The confirmation included in Appendix 3 of Newsletter 77 that the member doesn't hold any of primary protection etc refers to the position "as at 5 April 2016", but we think this should refer to as at 6 April 2016 to match up with para 2 of the schedule to the Budget resolution.
- Need to add a declaration that there has been no protection-cessation event in the period beginning with 6 April 2016 and ending with the making of the application (required by para 14(3)(e)(ii))

IP2016

- Para 14(3)(f)(iii) requires that, if the rights of an individual under a relevant arrangement have become subject to a relevant pension debit, the appropriate amount and transfer day for each such pension debit must be given. There is nothing covering this requirement in Appendix 4 of Newsletter 77.

Many thanks  
Karen

**Karen Goldschmidt FIA**  
Partner  
Lane Clark & Peacock LLP  
Direct: 020 7432 6622  
[www.lcp.uk.com/karengoldschmidt](http://www.lcp.uk.com/karengoldschmidt)

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**From:** [samantha.skill@hmrc.gsi.gov.uk](mailto:samantha.skill@hmrc.gsi.gov.uk) [<mailto:samantha.skill@hmrc.gsi.gov.uk>]  
**Sent:** 04 April 2016 13:39  
**To:** Karen Goldschmidt (LCP)  
**Subject:** RE: Temporary registration numbers ( Pension schemes newsletter 76 - February 2016) - now urgent

Karen

Thank you for your email. The position is that where a temporary reference number for FP16 or IP16 is provided, pension scheme administrators can rely on this in exactly the same way as they can rely on a permanent reference number. In Pensions Newsletter 76 we said that pension providers should not use the temporary reference number for reporting to HMRC. You should also note that in Pensions Newsletter 77, we advised that the Event Report was under review and as a result it would not be amended this year to allow for online reporting of FP16 and IP16 with either a temporary or permanent reference number. A Newsletter update will be provided in due course confirming this position. Anyone who needs to report FP16 or IP16 to HMRC before the January 2018 deadline for reporting events for 2016-17 should contact HMRC by email at: [pensions.businessdelivery@hmrc.gsi.gov.uk](mailto:pensions.businessdelivery@hmrc.gsi.gov.uk) with the subject 'Lifetime Allowance 2016-2017 Event Report'.

Regards

Sam Skill  
Pension Policy Adviser

Pension Policy Team | Specialist PT Pensions | FitzRoy House | Castle Meadow Road | Nottingham | NG2 1BD | [www.gov.uk](http://www.gov.uk)

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