



S22

16 December, 2015

Pensions Policy
Specialist PT Pensions
HMRC
100 Parliament Street
London SW1A 2BQ

Dear S22

Thank you for your letter of 29 October. I have passed on to industry representatives the detail you provided about information required on post-5 April transfers. I've since been made aware that affected funds have further questions about the process. Could you please provide a contact point for fund inquiries that I can pass on, preferably both an email and a phone number.

Responses to your comments on the conditions of release tables are also attached (Attachment A) I believe we have come to an understanding that funds can make simple, generic, deed amendments for the majority of the conditions of release to meet the pension age test.

For other conditions of release, Australian funds propose different deed changes to ensure amounts cannot be released based on their existing structure, membership and systems; I've indicated the relevant conditions in the attached table. In relation to the release of excess contributions I note your concern that a member can elect under law to release the contributions. As previously advised, some funds have suggested scheme rules that would stop individuals electing to release. Other funds may prefer to instead make scheme rules that require a UK-sourced balance be held as a defined benefit interest, for which funds have an exception to complying with a release authority.

Accordingly, the funds themselves and their representatives are in the best position to advise you of what changes they will propose in order to gain QROPS status. I think this is the best way to progress your consideration of whether Australian legislation provides means for early release that individual fund deed changes cannot overcome, in a way that preserves flexibility for different funds to satisfy the HMRC.

I think it is therefore appropriate at this stage for affected funds to put these changes to you in applications to regain QROPS status.

Industry bodies that represent affected funds can ensure that applications to regain QROPS status appropriately focus on the conditions of release where approaches differ and address concerns you've raised with us. They are also willing to be a gateway for information about Australian QROPS - a role they have been playing for the Australian Treasury during this process. I think this would reduce the administration burden on HRMC in considering applications.

Yours sincerely

S22

Manager
Retirement Income Policy Division

