FINANCIAL CONDUCT AUTHORITY

Regulatory reporting: Retirement income data

Feedback on CP16/36 and final rules

Policy Statement

PS17/16

July 2017

This relates to

Consultation Paper 16/36
which is available on our website at
www.fca.org.uk/publications

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1 Overview

Introduction

1.1 This policy statement (PS) sets out our response to the feedback received to consultation paper (CP) 16/36 Regulatory reporting: Retirement income data.[1] It also sets out our final rules introducing two new data items on retirement income. The rules and guidance will come into effect on 30 September 2018.

Who does this affect?

1.2 These handbook changes are relevant to providers of pensions, annuities and income drawdown.

1.3 They are also relevant to stakeholders with an interest in pensions and retirement issues, including:

- individuals and firms providing advice and information in this area
- distributors of financial products, in particular retirement income products
- asset management firms
- trade bodies representing financial services firms
- charities and other organisations with a particular interest in the ageing population and financial services

Is this of interest to consumers?

1.4 This PS is unlikely to be of direct interest to consumers. The handbook changes relate to new reporting requirements for regulated firms.

Context

1.5 New pension freedoms were introduced in April 2015. It is important that we monitor the impact of these changes on the market, and examine the effect on consumers. Since 2015 we have been collecting data from a sample of pension providers on an ad hoc basis.

1.6 These data help us to identify emerging risks and target our supervisory resources effectively. They also inform our policy development, allow us to track market trends and help us to monitor the potential for consumer harm.

1 www.fca.org.uk/publication/consultation/cp16-36.pdf

1.7 To make sure that our supervision remains effective we need to regularly collect data from the whole market. We consulted in November 2016 in CP16/36 on introducing two new regulatory returns into Chapter 16 of the Supervision Manual (SUP 16). The new regulatory returns will give us a better picture of the market, as our analysis will not rely on data from only a sample of firms. They will also provide firms with greater clarity on what data they need to provide and certainty regarding when and how often the data is required.

Summary of feedback and our response

1.8 We received 18 responses to our consultation. Respondents were broadly supportive of our proposals. However, respondents made suggestions to improve the regulatory returns and requested extra clarity in certain areas of the guidance notes. A number of firms also had comments on the method of submitting the data and how long firms had to report the data.

1.9 We have made the following changes to our final rules:

- improvements to our guidance notes to aid firms completing the new data items
- we have extended the scope of application to include incoming firms
- firms will be required to submit the data via Gabriel
- we have increased the submission period granted to firms from 30 business days to 45 business days

More detail is set out in Chapter 2.

Equality and diversity considerations

1.10 We published our equality impact assessment in CP16/36 and invited comments from respondents at that time. We received no feedback on our initial assessment and continue to consider that the handbook changes in this PS do not adversely impact any of the groups with protected characteristics i.e. age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment.

Next steps

What do you need to do next?

1.11 Firms should consider the changes we have made to the rules and guidance. They should put processes in place to make sure they can meet the new reporting requirements.

What will we do?

1.12 We will use the data provided to continue to supervise the market. We will also regularly consider whether the reporting rules and associated guidance need modification over time. We also intend to regularly publish the data in aggregated, summary form.

2 Regulatory reporting: Retirement income data

Introduction

2.1 In this chapter we provide more detail on the feedback received on the proposals in CP16/36.

2.2 Our proposal was to introduce two new regulatory returns to collect data from retirement income product providers:

- Retirement income flow data[2] return (REP015), to be completed every six months
- Retirement income stock data[3] and withdrawals flow data return (REP016), to be completed annually

2.3 We asked questions on the scope of the provisions, the data we should collect and our guidance notes to help firms report these data. The feedback received and our response is set out below.

> **Q1:** ***Do you agree with the proposed scope of REP015 and REP016? If not, what amendments would you suggest?***

2.4 We proposed that providers of pensions, annuities and income drawdown would be required to complete two new regulatory returns. Our proposals did not include incoming firms in the new reporting requirements.

2.5 The majority of respondents agreed with the scope of our proposed reporting requirements.

2.6 One respondent queried why we were proposing to require firms to provide information on occupational pension schemes, which are outside the jurisdiction of the FCA.

2.7 A small number of responses asked for more clarity on whether all types of occupational pension schemes, such as Small Self-Administered Schemes (SSASs) and Executive Pension Plans, should be within the scope of the data return.

2.8 One respondent asked us to define the scope of the requirements by product type rather than by firms' permissions.

2 Data accumulated during the reporting period.
3 Data measured at the end of the reporting period.

Our response:

The proposals we consulted on excluded incoming firms[4]. After further consideration, we have decided to include these firms where we have legal power to do so. Not collecting data from these firms would mean our view of the market would be missing data from key firms. This change will affect only a small number of firms.

We cannot require firms and individuals that we do not regulate to provide data to us. We recognise that a number of firms and individuals involved in the running of occupational pension schemes are regulated by The Pensions Regulator (TPR), and do not fall within our jurisdiction. This means we are unable to collect data for the full occupational pension scheme market. However we can require data from FCA-regulated firms on products outside our regulatory remit, to further our statutory objectives.

The occupational pension scheme data do help us to meet our statutory objectives, particularly protecting consumers. The data we intend to collect will, when combined with publically available data from not-for-profit firms such as NEST, provide us with information on the vast majority of the market even without data from firms outside the jurisdiction of the FCA. These will help us to better understand the firms that we do regulate and any changes in product take-up. They will also tell us how big a part the product set that we regulate is playing in the workplace DC market overall (some FCA-regulated firms now offer clients a choice between the group plans we do regulate and their own master trust plans that we do not).

One area we particularly want to monitor is the potential for growth in master trust plans. We will be able to surmise this growth from the data we receive. We do not expect the collection of the data to add significant burden to firms and therefore consider it to be a proportionate requirement.

SSASs and Executive Pension Plans are types of occupational pension schemes and firms should provide data on these plans. We have amended the scope section of the guidance to make this clearer.

We have decided to use firms' permissions to establish which firms are covered by the new provisions. We think that this is the easiest way for firms to understand whether they are captured by the new rules or not. This also ensures we do not need to regularly review, and potentially change, the list of products that should be captured as time passes.

Q2: ***Do you agree with the data that we propose to collect in REP015? If not, what amendments would you suggest?***

4 As defined in the glossary of the FCA handbook.

2.9 More than half the responses were supportive of the data we proposed to collect in REP015. Some firms wanted more clarity on what needs to be reported in certain data fields. We have addressed these by improving our guidance notes. These changes are set out in detail from paragraph 2.20.

2.10 One respondent suggested that we ask firms to provide data on workplace and non-workplace pensions separately as these two cohorts behave in different ways and it would be beneficial to us to have this insight when analysing the market.

2.11 One respondent requested we clarify the difference between the data requested in questions 11 and 15:

> **Q11:** *What was the total amount withdrawn this period from the fully encashed plans reported in question 10?*
>
> **Q15:** *What was the total value withdrawn from plans that were fully encashed via small pot lump sums, UFPLS and drawdown? Value should be gross i.e. include both tax free and taxable portions.*

2.12 We received the following feedback to the questions about the use of Pension Wise guidance:

- a small number of respondents expressed concerns about the data quality, as it relies on customers reporting their use of the service accurately
- one respondent suggested collecting data on those that take Pension Wise guidance and regulated advice but choose not to take any benefits from their pension
- one respondent recommended changing our reference to Pension Wise to the new Single Financial Guidance Body when it comes into existence

2.13 A small number of respondents stated that it was difficult for pension providers to give accurate data on DB pension transfers, as the receiving provider may not have all the details of the ceding scheme. One respondent queried why this question used a different definition to a question on transfers than in the Product Sales Data Return.

2.14 One respondent queried whether REP015 was needed by the FCA on a six-monthly basis, as in their opinion an annual submission would be sufficient.

2.15 Finally, one respondent asked if we would be looking to remove the requirement for retirement income providers to report product sales data returns.

Our response

We welcome the suggestion to split the reported data by workplace and non-workplace pensions. However, based on our experience of collecting these data, we consider that this split would be challenging for firms to provide and that the format for reporting pensions data set out in our CP sufficiently meets our data needs. We have, therefore, decided not to amend our returns in response to this feedback.

We note that the distinction between question 11 and 15 could be clearer and have amended the text in question 13 (which was question 15 in the previous version of the form) to address this. It now reads:

Q 13: *What was the total value withdrawn from plans that were accessed for the first time and fully encashed via small pot lump sums, UFPLS or drawdown? Value should be gross, i.e. include both tax-free and taxable portions.*

We understand the limitations of collecting data on Pension Wise from pension providers as this relies on accurate self-reporting by customers. We therefore need to be cautious when using these data. However, we think that they are an important indicator of whether consumers are using guidance when taking specific actions, such as cashing in a pension or purchasing a retirement income product.

We agree that information on those who use Pension Wise but do not take action could be interesting. However, these data are not likely to be easily collectable or accurate, and overall we do not think it is proportionate for us to require it to be reported.

We are grateful for the suggestion to change the reference to Pension Wise. We have altered the wording in REP015 to make sure any successor organisations will be within the question's scope.

We recognise that gathering data on DB transfers from the firms receiving the transfer has limitations and that there are other useful sources of data. However, experience from our ad hoc collections shows that data from pension providers can play a significant role in our work to monitor DB transfers and we consider it proportionate to collect these data.

The product sales data we collect are a much wider data set. This return deliberately asks a more specific question about DB transfers only.

We have reduced the frequency of the data collection from quarterly, in the period after the pension freedoms were introduced, to bi-annually as a regulated return. However, we do not plan to reduce this to an annual collection. We need these data every six months to make sure we can regularly update our understanding of the market and consumer behaviour.

The decision to remove the product sales data (PSD) reporting, which collects transactional data, is outside the scope of this paper. As part of our Data Strategy we endeavour to avoid duplicate reporting and, therefore, we will consider this issue as a part of this ongoing work.

Q3: ***Do you agree with the data that we propose to collect in REP016? If not, what amendments would you suggest?***

2.16 We proposed to introduce REP016 to collect retirement income stock data and withdrawals flow data. The stock data will give us a snapshot of the market to help us understand firms' market share and identify trends. We proposed to collect stock data on crystallised, uncrystallised and partially crystallised pension pots and annual flow data on regular and ad hoc withdrawals.

2.17 The majority of respondents agreed with the proposals in REP016. However, as for REP015, some firms wanted greater clarity on what data will need to be reported in certain data fields. We have addressed this by improving our guidance notes. These changes are set out in detail from paragraph 2.20.

2.18 The majority of the feedback we received for REP016 related to our proposed questions on withdrawal rates. A small number of respondents argued that the data on withdrawal rates was too burdensome to provide. Reasons given include the complexity of the calculation, the detail required on age and pot size, and the difficulty in separating out plans where withdrawals are ad hoc or regular. The comments came primarily from SIPP providers.

2.19 Two firms commented that system changes would be required to provide the data in REP016.

Our response

The sub-categories of data collected on withdrawal rates are important to our understanding of the market. We use the data split by age and pot size to see if the age groups defined in the form are using pension pots differently. The pot size categories allow us to understand the relationship between the size of a pension pot and consumers' choices. Consumers make withdrawals for very different reasons so collecting separate data on regular and ad hoc withdrawals is essential to understanding how products are being used.

However, we recognise that these questions are complex and difficult for providers to complete and have, therefore, already reduced the amount of data we ask for on withdrawal rates to the minimum we consider necessary. This is why we ask for less data on ad hoc withdrawals than for regular withdrawals.

It is clear from the responses that small firms find data on withdrawal rates harder to provide than large firms, most likely because they are more reliant on manual processes to manipulate the data. The withdrawal rates data provided by these smaller providers makes up a small part of the market overall when aggregated. Therefore, we have decided it is not proportionate to collect data on withdrawal rates from them, and we will now only ask for data on withdrawal rates from providers who have 750 or more plans where regular withdrawals are set up. Data we have collected suggests that this threshold requirement will only reduce the amount of plans we request information on by 5%, but it will likely have a significant impact reducing the regulatory burden for many small firms. We therefore consider it appropriate to introduce this threshold.

Q4: ***Will the proposed guidance notes assist you in completing REP015 and REP016? If not, what amendments would you suggest?***

2.20 In CP16/36 we proposed to introduce guidance notes to help firms understand the reporting requirements in REP015 and REP016.

2.21 Most firms agreed that the guidance notes were useful; however the feedback also noted a number of places where the guidance could be improved and greater clarity given to firms. These comments are in addition to the feedback on the guidance notes already noted earlier in this paper.

2.22 A number of respondents asked for greater clarity on some of the phrases and terminology we use in the guidance or on how different products and situations should be reported. Many of the comments were technical and related to specific issues for individual firms, relating to their own product definitions and systems.

Our response

We are grateful for the feedback that drew our attention to terms that we could make clearer. We have made changes to the guidance notes to help clarify these points.

The changes we have made to the guidance on REP015 as a result of consultation feedback include:

- making it clearer that annuity sales are to be reported by the annuity provider and not the provider of the pension used to purchase the annuity
- specifying that 'clustered' arrangements, where a number of arrangements are set up for one individual within a scheme, should be reported as one plan
- clarifying that plans should be reported regardless of whether they are held by the original policyholder or a beneficiary
- altering the guidance on age bands to give firms flexibility to report consumers' ages as at the point of product purchase or as at the end of the reporting period, depending on what is easiest to extract from their systems

We have made one main change to the guidance on REP016 as a result of consultation feedback, which is to provide a clearer description of which plans should be reported in the questions on regular withdrawals.

General comments and responses on submission method

2.23 In CP16/36 we proposed for REP015 to be completed for each six-monthly period ending on 30 September and 31 March. We proposed REP016 to be completed for the 12 months to 30 September.

2.24 A number of respondents noted that they would like the data requested in the returns to remain stable to avoid multiple system and process changes.

2.25 Some respondents noted that it would be beneficial to have a longer period to submit the data to us.

2.26 We did not specify how firms should report these returns to us in our consultation. Some respondents expressed a preference for Gabriel submission; however, one firm noted that we should not mandate XML/XBRL submission for the returns.

Our response

We are aware that making changes to firms' reporting requirements can impose additional costs on firms. Where possible, we try to keep firms' reporting requirements stable and make changes only when necessary.

We have considered the feedback about extending the submission period for these returns. We have decided that providing firms with a longer period to aggregate and report these data will result in better data quality and reduce time pressures on firms at the end of reporting periods. We have therefore extended the submission period for REP015 and REP016 to 45 business days from 30 business days. This does not impact our use of the data.

Reflecting the feedback, we will require firms to report both REP015 and REP016 to us through Gabriel. This is convenient for firms and will allow us to analyse the data more effectively. However we will not mandate XML/XBRL submission.

Q5: ***Do you have any comments on our cost benefit analysis (CBA)?***

2.27 In CP16/36 we used estimates from a survey of firms to inform our CBA. We estimated that the total costs to industry would range between £600,000 and £1,200,000 for set up costs and ongoing annual costs of between £500,000 and £900,000.

2.28 The majority of firms did not respond to our cost benefit analysis. One firm agreed with the estimates used in our CBA. Four firms disagreed with our cost estimates, stating that they felt we underestimated the costs. However, two of these respondents provided cost data to the survey which we included in our estimates. One of the respondents did not provide any replacement cost estimates.

Our response

We acknowledge that it is difficult to estimate firms' reporting costs. Some feedback suggested our estimates may understate the system costs required. However, we received little evidence from respondents to justify changes to our CBA. We note that the estimates used in the CBA reflect costs based on data provided to us by firms. So while there is variation between firms we still consider our estimate to be an accurate representation of the average costs to firms.

Although we did not originally include incoming firms in our CBA, the small number of additional firms in scope does not result in an increase to our cost estimate ranges for the industry overall. We consider, therefore, that this does not result in any significant change to the CBA on which we consulted.

We have decided to collect these data via Gabriel. This submission method will have a positive impact on firms by reducing the ongoing costs of their reporting process by allowing automatic reporting of the data if desired. We estimate that the ongoing costs to firms of reporting via Gabriel will be lower than the manual process required by our ad hoc data requests. This change in submission method will not alter significantly the costs to the FCA set out in the CBA. As stated in CP16/36, this cost will be managed from within the existing FCA budget.

Annex 1
List of non-confidential respondents

Aegon

Age UK

Association of Member-directed Pension Schemes

Aviva

B&CE

Capita Insurance & Benefits Services

Fidelity International

Financial Services Consumer Panel

Hargreaves Lansdown

JLT Premier Pensions

Michael J Fields SIPPS

The Pensions Advisory Service

The Phoenix Group

Prudential

Royal London Group

Scottish Widows

Standard Life

Talbot and Muir SIPP LLP

Annex 2
Abbreviations used in this paper

CP	Consultation paper
DB	Defined benefit
DC	Defined contribution
FCA	Financial Conduct Authority
PCLS	Pension commencement lump sum
REP015	Retirement income flow data return
REP016	Retirement income stock and withdrawals flow data return
PS	Policy Statement
SUP	The Supervision Manual
UFPLS	Uncrystallised funds pension lump sum
CBA	Cost Benefit Analysis
PSD	Product sales data
TPR	The Pensions Regulator

Appendix 1
Made rules (legal instrument)

RETIREMENT INCOME DATA (REGULATORY RETURN) INSTRUMENT 2017

Powers exercised

A. The Financial Conduct Authority makes this instrument in the exercise of:

(1) the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):

(a) section 137A (The FCA's general rules);
(b) section 137T (General supplementary powers); and
(c) section 139A (Power of the FCA to give guidance); and

(2) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.

B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on 30 September 2018.

Amendments to the Handbook

D. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

Notes

E. In the Annex to this instrument, the "notes" (indicated by "**Note:**") are included for the convenience of readers but do not form part of the legislative text.

Citation

F. This instrument may be cited as the Retirement Income Data (Regulatory Return) Instrument 2017.

By order of the Board
20 July 2017

Annex

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

16 Reporting requirements

16.1 Application

…

16.1.3 R Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.15, SUP 16.16, SUP 16.17 and SUP 16.22)

…

(1) Section (s)	**(2) Categories of firm to which section applies**	**(3) Applicable rules and guidance**
…		
SUP 16.20	An *IFPRU 730k firm* and a *qualifying parent undertaking* that is required to send a *recovery plan*, a *group recovery plan*, or information for a resolution plan to the *FCA*~~.~~	Entire Section
SUP 16.23	A *firm* subject to the *Money Laundering Regulations* and within scope of *SUP* 16.23.1R	Entire Section
SUP 16.24	*A firm* with *permission* to *establish, operate or wind up* a *personal pension scheme* or a *stakeholder pension scheme* to the extent that the *firm* and its business falls within the scope of *SUP* 16.24.1R	Entire Section
SUP 16.24	An *insurer* which has effected or carried out a *pension annuity* or a *drawdown pension* within the relevant reporting period set out in *SUP* 16.24.3(2)R to the extent that the *firm* and its business falls within the scope of *SUP* 16.24.1R.	Entire Section
…		
Note 2 : The application of *SUP* 16.13 is set out under *SUP* 16.13.1G; the application of *SUP* 16.15 is set out in *SUP* 16.15.1G; the application of *SUP*		

16.16 is set out in *SUP* 16.16.1R and *SUP* 16.16.2R; and the application of *SUP* 16.17 is set out in *SUP* 16.17.3R and *SUP* 16.17.4R.
Note 3 : The application of *SUP* 16.18 for the types of *AIFMs* specified in *SUP* 16.1.1CG is set out in *SUP* 16.18.2G.

…

16.3 General provisions on reporting

…

Structure of the chapter

16.3.2 G This chapter has been split into the following sections, covering:

…

(17) reporting under the *Payment Accounts Regulations* (*SUP* 16.22); ~~and~~

(18) annual financial crime reporting (*SUP* 16.23); and

(19) retirement income data reporting (*SUP* 16.24).

After *SUP* 16.23 (Annual financial crime report) insert the following new section. All the text is new and is not underlined.

16.24 Retirement income data reporting

Application

16.24.1 R This section applies to:

(1) (a) a *firm* with *permission* to *establish, operate or wind up a personal pension scheme* or a *stakeholder pension scheme*; and

(b) an *insurer* which has effected or carried out a *pension annuity* or a *drawdown pension* within the relevant reporting period as set out in *SUP* 16.24.3(2)R.

(2) This *rule* does not apply to an *incoming firm*:

(a) in respect of that part of its business that was carried on as an *electronic commerce activity*; or

(b) if the *customer* is habitually resident in (and, if applicable, the *State of the risk* is) an *EEA State* other than the *United Kingdom*, to the extent that the *EEA State* in question imposes measures of like effect.

Purpose

16.24.2 G (1) The purpose of this section is to set out the requirements for the *firms* specified in *SUP* 16.24.1R to report retirement income data.

(2) The purpose of collecting this data is to assist the *FCA* in the ongoing supervision of *firms* providing certain retirement income products and to enable the *FCA* to gain a wider understanding of market trends in the interests of protecting consumers.

Reporting requirement

16.24.3 R (1) A *firm* must submit:

(a) a retirement income flow data return half-yearly; and

(b) a retirement income stock data and withdrawals flow data return annually;

within 45 *business days* of the end of the relevant reporting period.

(2) The relevant reporting periods are as follows:

(a) for retirement income flow data returns, the six month periods ending on 31 March and 30 September in each calendar year;

(b) for retirement income stock data and withdrawals flow data returns, the twelve month period ending on 31 March in each calendar year.

(3) A *firm* must submit a nil return if there is no relevant data to report.

(4) A *firm* must submit its completed returns to the *FCA* online through the appropriate systems accessible from the *FCA's* website using the forms set out in *SUP* 16 Annex 43AR.

16.24.4 G Guidance for completion of the returns in *SUP* 16.24.3R(1) is set out in *SUP* 16 Annex 43BG.

16.24.5 G *Firms*' attention is drawn to *SUP* 16.3.25G regarding reports from a *group*.

After SUP 16 Annex 42C (Guidance Notes: Geographical breakdown for section 2 of SUP 16 Annex 42AR) insert the following new Annexes. The text is new and is not underlined.

16 Annex 43AR **Forms REP015 and REP016**

REP015 - Retirement income flow data

NIL RETURN

		A
1	Do you wish to declare a nil return?	

GROUP REPORTING

2	Does the data reported in this return cover information relating to more than one entity? *(NB: You should always answer 'No' if your firm is not part of a group)*	
3	If 'Yes' then list the firm reference numbers (FRNs) of all of the additional entities included in this return. Use the 'add' button to add additional FRNs	

NOTIFICATION

Part 1 - Activity during the reporting period

		A
4	How many plans were transferred away to another provider by plan holders aged 55 and over who had not yet accessed their benefits?	
5	How many plans were transferred away to another provider by plan holders aged 55 and over who had already accessed their benefits (by crystallising some or all of their assets or taking an uncrystallised funds pension lump sum (UFPLS))?	
6	How many defined benefit (DB) to defined contribution (DC) transfers have you completed?	
7	What was the total value withdrawn via Pension Commencement Lump Sum (PCLS) for all plans? (£)	
8	What was the total number of plans that were fully encashed via small pot lump sums, UFPLS or drawdown?	
9	What was the total amount withdrawn this period from the fully encashed plans reported in question 8? (£)	

Part 2 - Breakdown of activity by plan holders accessing their pension plans during the reporting period

Value of assets under administration in plans accessed during the reporting period

10	What was the total value of assets under administration (AUA) for plans that entered drawdown? Value should be after any PCLS but before any income withdrawn (£)		If 0, leave questions 14 - 29 blank
11	For annuity providers only, what was the total value of AUA for plans that were used to purchase annuities? Value should be after any PCLS but before annuity purchase (£)		If 0, leave questions 30 - 53 blank
12	What was the total value of AUA for plans that were accessed for the first time by taking a a partial UFPLS? Value should be before any partial UFPLS withdrawals (£)		If 0, leave questions 54 - 60 blank
13	What was the total value withdrawn from plans that were accessed for the first time and fully encashed via small pot lump sums, UFPLS or drawdown? Value should be gross i.e. include both tax free and taxable portions (£)		If 0, leave questions 61 - 68 blank

Plan holders that entered drawdown during the reporting period but did not fully exhaust their plan

		A	B	C	D	E	F
		Less than £10,000	£10,000 - £29,999	£30,000 - £49,999	£50,000 - £99,999	£100,000 - £249,999	£250,000 and above
14	What was the total number of plans that entered drawdown during the reporting period by crystallised pot size?						
	Number of plans by plan holder age band and crystallised pot size:						
15	Under 55						
16	55 - 64						
17	65 - 74						
18	75 - 84						
19	85+						
	Number of plans by distribution channel and crystallised pot size:						
20	Existing plan holders						
21	New plan holders via single firm third party arrangement						
22	New plan holders via multi firm third party arrangements (e.g. panel arrangements)						
23	New plan holders (i.e. transfers in not from third party arrangements)						
	Number of plans by use of advice and crystallised pot size:						
24	Number that were advised						
25	Number that were not advised but took up *pensions guidance* (e.g. Pension Wise)						
	Number of plans by packaged product options and crystallised pot size:						
26	Capital guarantee for part or all of assets (e.g. fixed term annuities)						
27	Income guarantee for part or all of assets (e.g. variable annuities, retirement accounts)						
28	Both capital and income guarantee for part or all of assets (e.g. variable annuities, retirement accounts)						
29	What was the total number of plans where only a PCLS was taken by crystallised pot size?						

Pension annuities purchased during the reporting period (annuity providers only)

		A	B	C	D	E	F
		Less than £10,000	£10,000 - £29,999	£30,000 - £49,999	£50,000 - £99,999	£100,000 - £249,999	£250,000 and above
30	What was the total number of pension annuities purchased during the reporting period by pot size?						
	Number of pension annuities by plan holder age band and pot size:						
31	Under 55						
32	55 - 64						
33	65 - 74						
34	75 - 84						
35	85+						
	Number of pension annuities purchased by distribution channel and pot size:						
36	Existing plan holders						
37	New plan holders via single firm third party arrangement						
38	New plan holders via multi firm third party arrangements (e.g. panel arrangements)						
39	New plan holders (i.e. transfers in not from third party arrangements)						
	Number of pension annuities by use of advice and pot size:						
40	Number that were advised						
41	Number that were not advised but took up *pensions guidance* (e.g. Pension Wise)						
	Number of pension annuities by product types/options and pot size:						
42	Enhanced annuities						
43	Annuities with guarantee periods of 10 years or less						
44	Annuities with more than 10 year guarantee periods						
45	Unit linked investment annuities						
46	With profits linked investment annuities						
47	Value protection annuities						
48	Deferred annuities						
49	Single life annuities (Male, Female & Unisex)						
50	Joint life annuities						
51	Level only annuities						
52	Escalating annuities						
53	Flexible annuities (e.g. post April 15 changing shape, cash out etc.)						

Plan holders who accessed their plan for the first time by taking a partial UFPLS payment

		A	B	C	D	E	F
		Less than £10,000	£10,000 - £29,999	£30,000 - £49,999	£50,000 - £99,999	£100,000 - £249,999	£250,000 and above
54	What was the total number of plans where plan holders accessed their plan for the first time by taking partial UFPLS payments during the reporting period by uncrystallised pot size?						
	Number of plans by plan holder age band and uncrystallised pot size:						
55	55 - 64						
56	65 - 74						
57	75 - 84						
58	85+						
	Number of plans by use of advice and uncrystallised pot size:						
59	Number that were advised						
60	Number that were not advised but took up *pensions guidance* (e.g. Pension Wise)						

Full encashments made by plan holders who accessed their plans for the first time

		A	B	C	D	E	F
		Less than £10,000	£10,000 - £29,999	£30,000 - £49,999	£50,000 - £99,999	£100,000 - £249,999	£250,000 and above
61	What was the total number of full encashments by plan holders who accessed their plan for first time (via small pot lump sums, UFPLS or Drawdown) by pot size?						
	Number of full encashments by plan holder age band and pot size:						
62	Under 55						
63	55 - 64						
64	65 - 74						
65	75 - 84						
66	85+						
	Of which, number of full encashments by use of advice and pot size:						
67	Number that were advised						
68	Number that were not advised but took up *pensions guidance* (e.g. Pension Wise)						

		A
69	Please provide any comments about the answers provided in this return (up to a limit of 2000 characters).	

REP016 - Retirement income stock and withdrawals flow data

NIL RETURN

		A
1	Do you wish to declare a nil return?	

GROUP REPORTING

2	Does the data reported in this return cover information relating to more than one entity? *(NB: You should always answer 'No' if your firm is not part of a group)*	
3	If 'Yes' then list the firm reference numbers (FRNs) of all of the additional entities included in this return. Use the 'add' button to add additional FRNs	

NOTIFICATION

Part 1 - Retirement income stock data

		A	B
	Uncrystallised stock data	Contract	Trust
4	How many defined contribution (DC) pension plans do you have in accumulation where the plan holder is aged 55 or over and has not accessed their pension?		
5	How many DC pension plans do you have with only uncrystallised assets where the plan holder is aged 55 or over and has at any time taken a lump sum payment via uncrystallised funds pension lump sum (UFPLS) ?		
6	How many DC pension plans do you have in accumulation where the plan holder is aged under 55 years old?		
7	How many DC pension plans do you have which are still solely in accumulation (uncrystallised) and have a guaranteed income benefit such as a guaranteed annuity rate (GAR), deferred annuity option, or guaranteed minimum pension (GMP)?		
8	What is your total value of uncrystallised assets under administration (AUA) in DC pension plans? (£)		
	Partially crystallised stock data		
9	How many DC pension plan holders do you have over 55 years old that have partly crystallised their pension plan (e.g. phased or drip feed drawdown)?		
	Crystallised stock data		
10	How many drawdown (capped and flexi) plans do you have where 100% of the funds are crystallised?		
11	How many drawdown plans do you have where a PCLS has been paid but no income has ever been taken?		
12	What is the total value of crystallised assets under administration (AUA) in DC pension plans? (£)		

	Payments from annuities, drawdown and UFPLS		
13	In total how many annuities do you currently have in payment?		
14	What was the total income paid on all your annuities in payment during the reporting period? (£)		
15	What is the total number of plans where the plan holder made regular withdrawals by drawdown or UFPLS?		If lower than 750, leave questions 17 - 31 blank
16	What is the total number of plans where the plan holder made ad hoc partial withdrawals by drawdown or UFPLS?		If 0, leave questions 32 and 33 blank

Part 2 - Withdrawals flow data

REGULAR WITHDRAWALS - Plan holders that have a regular UFPLS or drawdown payment set up - by age band

Questions 17 - 31 should only be completed by firms that reported 750 plans or more in question 15

		A	B	C	D	E
		Under 55	55-64	65-74	75-84	85+
17	Total value of regular withdrawals during the reporting period? (£)					
	Number of plan holders making regular partial withdrawals, by annual rate of withdrawal and age band:					
18	Less than 2% withdrawal in the reporting period					
19	Between 2% - 3.99% withdrawal in the reporting period					
20	Between 4% - 5.99% withdrawal in the reporting period					
21	Between 6% - 7.99% withdrawal in the reporting period					
22	Greater than or equal to 8% withdrawal in the reporting period					
	Number of plan holders making regular partial withdrawals, by use of advice and age band:					
23	Of the number of plan holders making less than 4% withdrawals in the reporting period, how many were advised sales?					
24	Of the number of plan holders making greater than or equal to 4% withdrawals in the reporting period, how many were advised sales?					

REGULAR WITHDRAWALS - Plan holders that have a regular UFPLS or drawdown payment set up - by pot size

		A	B	C	D	E	F
	Number of plan holders making regular partial withdrawals, by annual rate of withdrawal and pot size:	Less than £10,000	£10,000 - £29,999	£30,000 - £49,999	£50,000 - £99,999	£100,000 - £249,999	£250,000 and above
25	Less than 2% withdrawal in the reporting period						
26	Between 2% - 3.99% withdrawal in the reporting period						
27	Between 4% - 5.99% withdrawal in the reporting period						
28	Between 6% - 7.99% withdrawal in the reporting period						
29	Greater than or equal to 8% withdrawal in the reporting period						
	Number of plan holders making regular partial withdrawals, by use of advice and pot size:						
30	Of the number of plan holders making less than 4% withdrawals in the reporting period, how many were advised sales?						
31	Of the number of plan holders making greater than or equal to 4% withdrawals in the reporting period, how many were advised sales?						

AD-HOC WITHDRAWALS - Plan holders that do not have a regular payment set up but some UFPLS or drawdown payments were made

Questions 32 and 33 should only be completed by firms that reported 1 or more plans in question 16

		A	B	C	D	E	F
		Less than £10,000	£10,000 - £29,999	£30,000 - £49,999	£50,000 - £99,999	£100,000 - £249,999	£250,000 and above
32	Total value of ad hoc partial withdrawals during the reporting period? (£)						
33	Total number of plan holders that made ad hoc partial withdrawals during the reporting period?						

		A
34	Please provide any comments about the answers provided in this return (up to a limit of 2000 characters).	

16 Annex 43BG Guidance notes for completion of the Retirement income flow data return ('REP015') and the Retirement income stock and withdrawals flow data return ('REP016')

This annex consists only of guidance notes for form REP015 and form REP016.

Introduction

1. These notes aim to assist *firms* in completing and submitting the Retirement income flow data return ('REP015') and the Retirement income stock and withdrawals flow data return ('REP016').

Defined terms

2. *Handbook Glossary* terms are italicised in these notes.

Key abbreviations

3. The following table summarises the key abbreviations used in these notes::

AUA	assets under administration
DB	defined benefit
DC	defined contribution
EBC	*employee benefit consultant*
HMRC	HM Revenue & Customs
LTA	lifetime allowance
PCLS	pension commencement lump sum
PIPs	pension investment plans
REP015	Retirement income flow data return
REP016	Retirement income stock and withdrawals flow data return
SIPP	self-invested personal pension
TIPs	trustee investment plans
UFPLS	*uncrystallised funds pension lump sum*

Data requested

4. We are asking for data on all UK defined contribution (DC) pension plans held in a *personal pension scheme* or *stakeholder pension scheme*, or in a *defined contribution occupational pension scheme* (including *small self-administered schemes* (SSASs) and Executive Pension Plans (EPPs)), where the *firm* is the scheme's pension provider and/or the retirement income provider. We are also asking for data on *pension annuities*.

5. This includes DC and money purchase plans that provide a guaranteed income benefit – whether this is in the form of a deferred annuity or *guaranteed annuity rate*. Plans with guaranteed income benefits that are covered by this return include (but are not limited to):

   (a) plans that are a result of an individual or bulk transfer from a defined benefit (DB) scheme; and

   (b) plans with guaranteed benefits as a result of contracting out (i.e. plans with guaranteed minimum pension or equivalent pension benefits). Examples of such contracts include 'section 32 buyout plans', *retirement annuity* contracts (often known as a 'section 226 pension' or 'section 620 pension'), executive pension plans and bulk purchase annuities.

6. DB pensions and pension assets that are managed on behalf of third parties (such as trustee investment plans (TIPs) that are managed on behalf of DB or DC schemes, and pension investment plans (PIPs) that are managed on behalf of SIPPs) should not be included.

Group level data

7. Where *firms* are part of a group, requests should be completed at group level, giving information for all *FCA* regulated *firms* who have provided *pension annuities* within the relevant reporting period and/or pension scheme operators. This will involve aggregating various sources of management information in to a single group-level figure; however, we believe this is the best method to provide a basis for trend analysis across the market.

Identifying the 'retirement income provider'

8. Data on retirement income plans should be submitted by the retirement income product provider. In the case of drawdown plans opened by existing plan holders, the originating pension provider is the retirement income provider, and therefore should submit the data. This includes the scenario where the transition to drawdown happened within the same *pension scheme*. In the case of annuities, it is only the annuity provider who should submit data on plans being used to purchase annuities.

9. Where white labelling or other third party arrangements exist between a *firm* such as a pension provider (or other third party) that does not itself provide retirement products and another *firm*, it is the *firm* providing retirement income products on its behalf that is considered to be the retirement income provider, and who should therefore report data in respect of all plan holder actions including entering drawdown, taking an *uncrystallised funds pension lump sum* (UFPLS) and

purchasing an annuity.

10. Where outsourcing arrangements exist between a retirement income provider and a third party administrator, the retirement income provider should report the requested data.

11. Where a third party arrangement (see examples below) exists between a retirement income provider and a pension provider, the retirement income provider should report all of the plan holder actions, i.e. entrants to drawdown and annuity purchases.

Example 1 – single tie arrangements

12. A mutual society (pension provider) has pension plan holders but does not provide annuities itself. Instead, it has a single firm arrangement with a life company which provides annuities. Under this arrangement, plan holders of the pension provider who want to purchase an annuity are referred to the life company. In this scenario, the life company providing annuities is considered to be the retirement income provider, and should report this data.

Example 2 – panel arrangements

13. A trust-based pension scheme uses an *employee benefit consultant* (EBC) to advise on their scheme retirement options. The trust-based scheme does not provide drawdown or annuities to its members, and the EBC offers a panel of life companies or other annuity providers which provide drawdown and annuities. The relevant life company or annuity provider should report the data as the retirement income provider.

Example 3 – white labelling

14. A pension provider offers annuities to its plan holders which it does not provide itself: the annuities are in fact provided by a third party life company through a white labelling arrangement. Plan holders wishing to purchase an annuity are referred to the life company, as part of a single-firm third party arrangement. In this scenario, the third party life company is considered to be the retirement income provider, and should report the data in respect of these annuities.

Example 4 – white labelling

15. A SIPP operator white labels their SIPP plan, which includes drawdown facilities, to a third party. The SIPP operator, rather than the third party, is the retirement income provider, and so should report all sales under such white labelling as ‘single-provider third party arrangement’.

Format of responses

16. All figures in REP015 and REP016 should be entered in single units; these returns do not ask for any data to be reported in units of thousands or millions. Figures required in pounds sterling should be reported to two decimal places.

17. REP015 and REP016 both have one optional question at the end where the *firm* can enter a text-based response. *Firms* should use this question to provide any additional information that might help explain any of the answers provided in the return.

18. While for ease of explanation this *guidance* sometimes refers to plan holders, *firms* should respond on the basis of each individual policy or plan. We do not want *firms* to submit data at a plan holder level where a plan holder holds more than one plan. However, where a number of arrangements have been set up for one individual within a scheme, these arrangements should be reported as one plan. Plans should be reported regardless of whether they are held by the original plan holder or by a beneficiary.

NOTES FOR COMPLETION OF THE RETIREMENT INCOME FLOW DATA RETURN ('REP015') AND THE RETIREMENT INCOME STOCK AND WITHDRAWALS FLOW DATA RETURN ('REP016')

Section A Notes for completion of REP015

The following notes do not cover all questions in REP015, but only those questions where we considered *guidance* would assist *firms* in completing the return.

Part 1 – activity during the reporting period (questions 4 to 11)

Firms should answer all questions in this part.

Q4: How many plans were transferred away to another provider by plan holders aged 55 and over who had not yet accessed their benefits?	Include all plans that were transferred away to another provider during the reporting period (i.e. exits) by plan holders aged 55 and over, who had not yet accessed any benefits (i.e. not taken any UFPLS payments or crystallised any of their plan). Include plans where the Open Market Option is being exercised (i.e. a PCLS is being paid and an annuity is being purchased from another provider). Deaths of plan holders meeting these criteria should be excluded. We understand that where a plan has in the past been transferred in from a previous provider, the current provider may not always be aware if a UFPLS had been taken prior to that transfer. Such plans should be reported here unless the current provider is aware that the plan was previously accessed.
Q5: How many plans were transferred away to another provider by plan holders aged 55 and over who had already accessed their benefits (by crystallising some or all of their assets or taking an *uncrystallised funds*	Include all plans that were transferred to other providers during the reporting period by plan holders aged 55 and over who had already accessed their benefits by crystallising some or all of the assets

pension lump sum (UFPLS))?	(entering drawdown), by using some assets to purchase an annuity, or by taking one or more UFPLS from their plan at any time (i.e. whether or not such access took place during the reporting period or prior to it). Deaths of plan holders meeting these criteria should be excluded. We understand that where a plan has in the past been transferred in from a previous provider, the current provider may not always be aware if a UFPLS had been taken prior to that transfer. Plans should not be reported here unless the current provider has been made aware that the plan was previously accessed.
Q6: How many defined benefit (DB) to defined contribution (DC) transfers have you completed?	Report the number of DB to DC transfers in that have taken place during the reporting period. This should be DB to DC transfers only, and *pension transfers* with other safeguarded benefits should not be included. Section 32 buyout policies should also be excluded. The data required here is different to the data required under the Product Sales Data Return on pension transfers.
Q7: What was the total value withdrawn via Pension Commencement Lump Sum (PCLS) for all plans? (£)	Report the total value of all PCLS (tax free cash) taken by plan holders who have, during the reporting period, taken a PCLS. Report all plans that have taken any PCLS, including those that have also taken an income via drawdown, purchased an annuity, or transferred away. Only include the value of the PCLS, and not any of the taxable income withdrawn. This should be reported in pounds sterling and single units.
Q8: What was the total number of plans that were fully encashed via small pot lump sums, UFPLS or drawdown?	Report the number of plans that have had all funds withdrawn during the reporting period (i.e. where plans close with nil value), regardless of when the plan was first set up or when the plan holder first accessed their plan. Include all plans that have been fully withdrawn (extinguished) by a small pot lump sum, UFPLS or drawdown, and plans that were fully withdrawn in one payment or

	in multiple payments during the period. Note: we do not expect any plans with an amount remaining at the end of the reporting period to be captured here, unless it is a de minimis amount (e.g. £1) that has been left in order to avoid paying an account closure fee.
Q9: What was the total amount withdrawn this period from the fully encashed plans reported in question 8? (£)	Report the total amount withdrawn during this reporting period from those fully encashed plans reported in question 8; by either small pot lump sums, UFPLS or drawdown. Include all withdrawals made from these plans in the reporting period. This figure should be reported in pounds sterling and single units.

Part 2 – Breakdown of activity by plan holders accessing their pension plans during the reporting period

Value of assets under administration in plans accessed during the reporting period (questions 10 to 13)

Questions 10 to 13 should be completed by all *firms*.

Please note that the reporting requirements vary between questions:

- For questions 10 and 11, *firms* should include data relating to all plan holders who enter drawdown or purchase an annuity for the first time, regardless of whether the plan has previously been accessed in other ways.
- For questions 12 and 13, *firms should* only include data relating to plan holders who have not accessed their plans prior to this reporting period.

The figures should be reported in pounds sterling and single units.

Q10: What was the total value for assets under administration (AUA) of plans that entered drawdown? Value should be after any PCLS but before any income withdrawn (£).	Drawdown assets should only be reported by the provider of the drawdown plan. Report the total value of assets in plans of all plan holders who enter drawdown for the first time in the reporting period and who do not withdraw all their assets. Include instances where the transition to drawdown happened within the same *pension scheme*. Include both the value of the crystallised assets and any remaining uncrystallised assets in the plans. The value should be after any PCLS but before any income withdrawn. It should INCLUDE plans held by plan holders who:

	• enter drawdown for the first time, crystallise 100% of their plan, and withdraw part (but not all) of their crystallised assets; or • enter drawdown for the first time and crystallise only a part of their pension plan, leaving at least some crystallised and/or uncrystallised funds invested; or • enter drawdown for the first time, crystallise 100% of their plan, taking their PCLS but taking no income; and/or • enter drawdown for the first time, but have previously accessed their plan by using part of it to take a UFPLS or purchase an annuity. It should EXCLUDE plan holders who: • at the start of the relevant reporting period already have part uncrystallised and part crystallised plans which are in drawdown, but crystallise a new portion of their assets in the relevant reporting period, as they are not new entrants to drawdown; • at the start of the relevant reporting period are already in drawdown and, although not drawing an income, partially crystallise additional assets and therefore may get a new 'slice' of tax free cash, as they are not new entrants to drawdown; and/or • access their plan for the first time and take all of their benefits during the period. (These plan holders should be reported in question 15.) If the answer to this question is £0, then questions 14 – 29 can be left blank.
Q11: For annuity providers only, what was the total value of AUA for plans that were used to purchase annuities? Value should be after any PCLS but before annuity purchase (£).	This question should be completed by the annuity provider only. Report the total value of the assets in plans where the plan holder purchased an annuity during the reporting period. The value should be after any PCLS but before annuity

	purchase. *Firms* should not include the value of any plans used to purchase products that are reported to HM Revenue & Customs (HMRC) under drawdown rules (e.g. products that are marketed as annuities but which are actually crystallised assets in drawdown). The value of plans used to purchase these products should be reported in question 10. Do not include values where a plan holder starts receiving annuity payments in place of a DB pension that was already in payment (e.g. DB pensions transferred to an annuity as a result of a scheme buyout). However, *firms* should include values where DB scheme benefits that were not in payment were transferred to your *firm* and a plan holder then chose to take up an annuity (e.g. a section 32 plan holder who bought a lifetime annuity). If the answer to this question is £0, then questions 30 – 53 can be left blank.
Q12: What was the total value of AUA for plans that were accessed for the first time by taking a partial UFPLS? Value should be before any partial UFPLS withdrawals (£).	Report the total value of assets in plans held by plan holders who accessed their plan for the first time by taking a partial UFPLS payment during the reporting period. The total value should include the value of all uncrystallised assets before the first UFPLS withdrawal. Do not include plans that have already been accessed by the plan holder prior to the start of the reporting period (e.g. by partially crystallising the plan or by taking an earlier UFPLS payment). We understand that where a plan has in the past been transferred in from a previous provider, the current provider may not be aware if a UFPLS had been taken prior to that transfer. Only exclude such plans if you have been made aware that the plan was previously accessed. If the answer to this question is £0, then questions 54 – 60 can be left blank.
Q13: What was the total value withdrawn	Report the gross amount of all the

from plans that were accessed for the first time and fully encashed via small pot lump sums, UFPLS or drawdown? Value should be gross, i.e. include both tax free and taxable portions (£).	withdrawals made during this reporting period by plan holders who accessed their plan for the first time and fully encashed it by the end of the period. It should include both tax free and taxable portions. It should include plan holders who fully withdraw their plan in one payment, or in multiple payments, as long as all payments were made in the same reporting period. Do not include plans that have already been accessed by the plan holder prior to the start of the reporting period (e.g. by partially crystallising the plan or by taking an earlier UFPLS payment). We understand that where a plan has in the past been transferred in from a previous provider, the current provider may not be aware if a UFPLS had been taken prior to that transfer. Only exclude such plans if you have been made aware that the plan was previously accessed. [Note: we do not expect any plans with an amount remaining at the end of the period to be captured here, unless it is a minimal amount (e.g. £1) that has been left in order to avoid paying an account closure fee.] If the answer to this question is £0, then questions 61 – 68 can be left blank.

The remainder of Part 2 of REP015 is separated into four sections: on entering drawdown, purchasing annuities, taking UFPLS, and taking full encashments. Only those *firms* that responded in questions 10 to 13 confirming these activities took place during the reporting period should complete the subsequent relevant questions.

Plan holders that entered drawdown during the reporting period but did not fully exhaust their plan (questions 14-29)

This captures all new entrants to drawdown in the reporting period who did not withdraw all their assets. If *firms* report any value of drawdown sales greater than zero under question 10 they should complete questions 14 to 29; other firms may leave these questions blank.

When completing the return, *firms* should report plans in the appropriate column for the pot size band that reflects the amount of AUA in the plan after any PCLS but before any income withdrawal.

Q14: What was the total number of plans that entered drawdown during the reporting	The notes to question 10 provide more information about which plans should be

period by crystallised pot size?	included for this question. Plans should be reported under the pot size band that reflects the amount of AUA in the plan after any PCLS but before any income withdrawal (i.e. the pot size when the plan holder entered drawdown).
Q15 – Q19: Number of plans by plan holder age band and crystallised pot size	Questions 15 to 19 ask for the figures reported in question 14 to be broken down into age bands. Firms may report plans according to either the age of the plan holder at the end of the reporting period, or the age of the plan holder at the point the plan entered drawdown.
Q20 – Q23: Number of plans by distribution channel and crystallised pot size	Distribution should be reported under the following categories: • ‘Existing plan holders’, i.e. existing accumulation pension/internal vesting plan holders. • ‘New plan holders via single firm third party arrangement’, i.e. plan holders whose accumulation pension is with a third party pension provider for whom the reporting *firm* is a sole provider for a retirement income product. • ‘New plan holders via multi-firm third party arrangements’, i.e. panel arrangements where the reporting *firm* receives business from a third party pension provider as a result of a restricted retirement income product panel. • ‘New plan holders’, i.e. transfers in not from third party arrangements and which do not relate to any third party arrangement. Benefits may be purchased by an Open Market Option or transfer (including immediate vesting). Distribution figures should be reported by the retirement income product provider. In the case of arrangements for drawdown to existing plan holders this means the originating pension provider should report the sales as the ‘retirement income provider’.

	This includes a situation where the transition to drawdown happened within the same pension scheme. Where third party arrangements exist between a retirement income provider and a pension provider, the retirement income provider should report all of the plan holder actions, i.e. entrants to drawdown and annuity purchases. All new plan holders received through panels and bureaux should be reported as through multi-firm third party arrangements. This includes panels that are part of intermediary *firms*. Where third party arrangements exist between a retirement income provider and a pension provider, the retirement income provider should report all of the plan holder actions, i.e. entrants to drawdown and annuity purchases. The examples in the Introduction to these *guidance* notes help clarify which *firms* should be reporting third party sales.
Q24: Number of plans by use of advice and crystallised pot size: number that were advised	Of the plans reported as entering drawdown in question 14, report how many of the plan holders were advised at the point of entering drawdown. *COBS* 19.7.19 requires *firms* to record whether the *retail client* has received regulated advice and risk warnings when they contact the *firm* about accessing their pension. Report the number of plan holders who informed your *firm* they received advice at this point.
Q25: Number of plans by use of advice and crystallised pot size: number that were not advised but took up *pensions guidance* (e.g. Pension Wise)	Of the plans reported as entering drawdown in question 14, report how many of the plan holders who were not advised at the point of entering drawdown stated that they used Pension Wise. *COBS* 19.7.8R and *COBS* 19.7.19R require *firms* to ask whether the *retail client* has received *pensions guidance* when they contact the *firm* about accessing their pension, and for *firms* to keep a record of the response. *Firms* should report plan holders who informed the *firm* they received

	guidance (but not advice) at this point.
Q26 – Q28: Number of plans by packaged product options and crystallised pot size	Of the plans reported as entering drawdown in question 14, report how many have the relevant packaged product attributes stated in questions 26 to 28. Fixed term annuities, variable annuities and 'retirement account' products (e.g. where guarantees on investments or funds structured through TIPs pay income back into the drawdown account) should be reported in these questions. Question 26 'Capital guarantee for part or all of assets' captures all fixed term annuity products. These products may pay out an income that is set at the outset, but this income will not rise over the term. Fixed term annuities should not be reported under question 27 'Income guarantee for all or part of assets". Question 27 is intended to capture unit-linked income guarantees in drawdown that have the potential to increase over the term, e.g. variable annuities and some of the new retirement account TIPs.
Q29: What was the total number of plans where only a PCLS was taken by crystallised pot size?	Of the plans reported as entering drawdown in question 14, report the number of 'zero income' plans where funds were crystallised and PCLS taken, but no taxable drawdown income has been taken.

Pension annuities purchased during the reporting period (questions 30 to 53)

Please do not report new products marketed as annuities but which are actually crystallised assets in drawdown and therefore reported to HMRC under drawdown rules.

Please do not include cases where a plan holder starts receiving annuity payments in place of a DB pension that was already in payment (e.g. DB pension benefits transferred to an annuity as a result of a scheme buyout).

However, please do include cases where DB pension benefits that were not in payment were transferred to your *firm* and a plan holder then chose to take up an annuity (e.g. a section 32 plan holder who bought a lifetime annuity).

When completing the return, *firms* should report annuity sales under the pot size band that reflects the amount of AUA in the plan after any PCLS but before annuity purchase.

Q30: What was the total number of pension annuities purchased during the reporting	The *guidance* to question 11 provides more information about which plan holders should

period by pot size?	be included for this question. Annuity purchases should be reported under the pot size band that reflects the amount of AUA in the plan after any PCLS but before annuity purchase.
Q31 – Q35: Number of pension annuities by plan holder age band and pot size	Questions 31 to 35 ask for all the annuity purchases reported in question 30 to be broken down into age bands of the plan holder. *Firms* may report plans according to either the age of the plan holder at the end of the reporting period, or the age of the plan holder at the point the annuity was purchased.
Q36 – Q39: Number of pension annuities purchased by distribution channel and pot size	Questions 36 to 39 ask for all the annuity purchases reported in question 30 to be broken down into the distribution channel, (such as via a single firm third party arrangement or multi-firm third party arrangements) used to sell the product. The *guidance* to questions 20 to 23 provides more information about how this data should be reported.
Q40: Number of pension annuities by use of advice and pot size: number that were advised	Of the annuity purchases reported in question 30, report how many plan holders were advised at the point of purchasing the annuity. *COBS* 19.7.19 requires *firms* to record whether the *retail client* has received regulated advice and risk warnings when they contact the *firm* about accessing their pension. *Firms* should report plan holders who informed your *firm* they received advice at this point.
Q41: Number of pension annuities by use of advice and pot size: number that were not advised but took up *pensions guidance* (e.g. Pension Wise)	Of the annuity purchases reported in question 30, report how many of the plan holders who did not receive advice stated that they used Pension Wise. *COBS* 19.7.8R and *COBS* 19.7.19R require *firms* to ask whether the *retail client* has received pensions guidance when they contact the *firm* about accessing their pension, and for *firms* to keep a record of the response. *Firms* should report plan holders who informed the *firm* they received

	guidance (but not advice) at this point.
Q42 – Q53: Number of pension annuities by product types/options and pot size	Questions 42 to 53 ask for data on the product features of the annuity purchases reported in question 30. The annuity features and options in these questions are not mutually exclusive and one annuity sale could therefore be reported under more than one of these questions (e.g. a single-life escalating annuity would be reported under both questions 49 and 52). In this return, we mean ‘enhanced annuities’ (question 42) to be only those underwritten on impaired life or lifestyle factors, e.g. smoking. This should not include annuities solely underwritten on other factors, e.g. occupation or postcode details. We mean ‘flexible annuities’ (question 53) to be those that change shape (e.g. ‘U’, ‘J’ or ‘L’ shaped annuities) and which have only become available since 6 April 2015. These flexible annuities may include features such as: • provision to take a lump sum in future; • a taxed lump sum at outset; • reduced income after a specified period, or at a particular age, such as at State Pension Age, or provision for this; and/or • increased income after a specified period, or at a particular age or event, such as on identification of a care need, or provision for this. Only report investment-linked annuities as flexible annuities (in question 53) if they follow a structure that only became allowable since the April 2015 changes.

Plan holders who accessed their plan for the first time by taking a partial UFPLS payment (questions 54 to 60)

Plans which are accessed for the first time by taking a first UFPLS payment in the reporting period should be reported, but only where they have assets remaining at the end of the period, i.e. they have taken partial UFPLS with the first payment during the reporting period.

Do not include plans that have already been accessed by the plan holder prior to the start of the reporting period (e.g. by partially crystallising the plan or by taking an earlier UFPLS payment).

These questions capture the numbers of those plan holders that have taken an UFPLS withdrawal and not the numbers with access to UFPLS.

Plans should be reported under the pot size band that reflects the amount of uncrystallised AUA in that plan prior to the first UFPLS withdrawal.

Q54: What was the total number of plans where plan holders accessed their plan for the first time by taking partial UFPLS payments during the reporting period by uncrystallised pot size?	The *guidance* to question 12 provides more information about which plans should be reported for this question. Plans should be reported under the pot size band that reflects the amount of uncrystallised AUA in the plan prior to the first UFPLS withdrawal.
Q55 – Q58: Number of plans by plan holder age band and uncrystallised pot size	Questions 55 to 58 ask for the plans reported in question 54 to be broken down by the age band of the plan holder. *Firms* may report plans according to either the age of the plan holder at the end of the reporting period, or the age of the plan holder at the point the UFPLS was paid from the plan.
Q59: Number of plans by use of advice and uncrystallised pot size: number that were advised	Of the plans reported in question 54, report how many plan holders were advised at the point of accessing their benefits. *COBS* 19.7.19 requires *firms* to record whether the *retail client* has received regulated advice and risk warnings when they contact the *firm* about accessing their pension. *Firms* should report plan holders who informed the *firm* they received advice at this point.
Q60: Number of plans by use of advice and uncrystallised pot size: number that were not advised but took up *pensions guidance* (e.g. Pension Wise)	Of the plans reported in question 54, report how many of the plan holders who did not receive advice stated that they used Pension Wise. *COBS* 19.7.8R and *COBS* 19.7.19R require *firms* to ask whether the *retail client* has received pensions guidance when they contact the *firm* about accessing their pension, and for *firms* to keep a record of the response. *Firms* should report plan holders who informed the *firm* they received guidance (but not advice) at this point.

Full encashments made by plan holders who accessed their plans for the first time (questions 61 to 68)

Firms should report plans where the plan holder withdrew all their funds in the reporting period, but had not previously accessed their plan. This includes plan holders who fully withdrew their funds in one or more payments (as long as all payments were made in the same reporting period).

Do not include plans that have already been accessed by the plan holder prior to the start of the reporting period (e.g. by partially crystallising the funds or by taking an earlier UFPLS payment).

Do not report any plans with an amount remaining at the end of the reporting period here, unless it is a minimal amount (e.g. £1) that has been left in order to avoid paying an account closure fee.

Plans should be reported under the pot size band that reflects the amount of uncrystallised AUA in the plan prior to the first withdrawal in the reporting period.

Q61: What was the total number of full encashments by plan holders who accessed their plan for first time (via small pot lump sums, UFPLS or drawdown) by pot size?	The notes to question 13 provide more information about which plan holders should be included for this question. Plans should be reported under the pot size band that reflects the amount of uncrystallised AUA in the plan prior to the first withdrawal in the reporting period.
Q62 – Q66: Number of full encashments by plan holder age band and uncrystallised pot size	Questions 62 to 66 ask for the full encashments reported in question 61 to be broken down into age bands. *Firms* may report plans according to either the age of the plan holder at the end of the reporting period, or the age of the plan holder at the point the plan was fully encashed.
Q67: Number of full encashments by use of advice and pot size: number that were advised	Of the full encashments reported in question 61, report how many were made by plan holders who were advised at the point of accessing their benefits. *COBS* 19.7.19 requires *firms* to record whether the *retail client* has received regulated advice and risk warnings when they contact the *firm* about accessing their pension and receive the risk warnings. *Firms* should report plan holders who informed the *firm* they received advice at this point.
Q68: Number of full encashments by use of advice and pot size: number that were not	Of the full encashments reported in question 61, report how many of the plan holders who

advised but took up *pensions guidance* (e.g. Pension Wise)	did not receive advice stated that they used Pension Wise. *COBS* 19.7.8R and *COBS* 19.7.19R require *firms* to ask whether the *retail client* has received pensions guidance when they contact the *firm* about accessing their pension, and for *firms* to keep a record of the response. *Firms* should report plan holders who informed the *firm* they received guidance (but not advice) at this point.

Section B Notes for completion of REP016

The following notes do not cover all questions in REP016, only those questions where we considered *guidance* would assist *firms* in completing the return.

Part 1 – Retirement income stock data (questions 4 to 16)

This section captures the group's pension and retirement income books in aggregate as at the end of the period being reported. Where questions ask for plans or assets to be reported by the age of the plan holder, it is the age at the end of the reporting period that is relevant.

Questions 4 to 12 are split so that *firms* provide separate figures depending on whether the figure reported relates to a trust-based scheme or a contract-based scheme:

- *Firms* should report all personal and stakeholder pensions as contract-based schemes, including SIPPs written under trust.
- Only DC occupational money purchase schemes should be reported as trust-based schemes.

For unitised with-profits business, *firms* should report the policy fund value. For traditional or conventional with-profits business, *firms* should report the asset share or other appropriate available value.

Providers should report asset values for all single arrangement SIPPs where individual investments are not allocated between uncrystallised or crystallised investments. All such assets should be split across the uncrystallised and crystallised questions (4 to12) using either unitised holdings split between plan members or percentage lifetime allowance (LTA) calculations that exist for the single arrangement SIPP.

Uncrystallised stock data (questions 4 to 8)

This section captures plans with uncrystallised assets only. *Firms* should not include crystallised plans in schemes with retirement ages below 55.

Do not include plans that are partially crystallised in this section (they are captured in the next section). Plans that are in phased drawdown should not be included in this section.

Q4: How many defined contribution (DC) pension plans do you have in accumulation where the plan holder is aged 55 or over and	This captures plans where the plan holder is aged 55 and over and has never accessed

has not accessed their pension?	their benefits (i.e. taken no PCLS, UFPLS or drawdown income) and which remain completely uncrystallised.
Q5: How many DC pension plans do you have with only uncrystallised assets where the plan holder is aged 55 or over and has at any time taken a lump sum payment via uncrystallised funds pension lump sum (UFPLS)?	Report the number of plans where the plan holder is aged 55 or over and has only uncrystallised assets (but has at any time accessed their pensions via UFPLS and so has assets remaining). *Firms* should not include plans where the plan holder takes an UFPLS payment from uncrystallised funds, but part of the plan is already crystallised and in drawdown.
Q6: How many DC pension plans do you have in accumulation where the plan holder is aged under 55 years old?	Report the number of plans where the plan holder is aged under 55 years old and has never accessed their plan and so has only uncrystallised assets.
Q7: How many DC pension plans do you have which are still solely in accumulation (uncrystallised) and have a guaranteed income benefit such as a guaranteed annuity rate (GAR), deferred annuity option, or guaranteed minimum pension (GMP)?	Report any DC and money purchase plans that include guaranteed income benefit (whether this is in the form of a deferred annuity or *guaranteed annuity rate*). This would include, but is not limited to, plans that are created as a result of an individual or bulk transfer from a *defined benefit occupational pension scheme* and contracts with guaranteed benefits as a result of contracting out (i.e. plans with guaranteed minimum pension or equivalent pension benefits). Examples of such contracts include section 32 buyout plans, *retirement annuity* contracts (often known as a 'section 226 pension' or 'section 620 pension'), executive pension plans and bulk purchase annuities. [Note: see 'Identifying the retirement income provider' at paragraphs 8–11 of these notes.] Do not report any plans which have been accessed in any way (e.g. where PCLS or UFPLS have been taken).
Q8: What is your total value of uncrystallised assets under administration (AUA) in DC pension plans? (£)	Report all uncrystallised pension assets here, regardless of the age of the plan holders or whether they also have crystallised assets. Include the uncrystallised assets of any partially crystallised plans. For unitised with-profits business, *firms* should report the policy fund value. For traditional or conventional with-profits

	business, *firms* should report the asset share or other appropriate available value. Where SIPP providers are unable to provide a valuation for the date required (31 March) they should use the most recent valuation. The figure should be reported in pounds sterling and single units.

Partially crystallised stock data (question 9)

All plans where the plan holder has both uncrystallised and crystallised funds should be reported in this question. This includes all plans in ‘phased’ or ‘drip feed’ drawdown. Plan holders who have part of their funds crystallised in drawdown and are also taking UFPLS from uncrystallised funds should be included.

Crystallised stock data (questions 10 to 12)

This section is intended to capture the *firm’s* crystallised book of pension business, i.e. assets in drawdown. All products marketed as annuities but written within drawdown tax rules (e.g. fixed term and variable annuities) should be included here even if funds are domiciled outside the UK.

Q10: How many drawdown (capped and flexi) plans do you have where 100% of the funds are crystallised?	Report all plans where all the assets are crystallised.
Q11: How many drawdown plans do you have where a PCLS has been paid but no income has ever been taken?	Report all plans where a PCLS has been taken but no income has been paid. Include plans which are 100% crystallised and those which are partially crystallised.
Q12: What is the total value of crystallised assets under administration (AUA) in DC pension plans? (£)	Report all crystallised (in drawdown) pension assets here, regardless of the age of the plan holders or whether they also have uncrystallised assets. Include the crystallised assets of any partially crystallised plans. For unitised with-profits business, *firms* should report the policy fund value. For traditional or conventional with-profits business, *firms* should report the asset share or other appropriate available value. Where SIPP providers are unable to provide a valuation for the relevant date (31 March), they should use the most recent valuation. The figure should be reported in pounds sterling and single units.

Payments from annuities, drawdown and UFPLS (questions 13 to 16)

Q13: In total how many annuities do you currently have in payment?	Report how many annuities were in payment at the end of the reporting period. *Firms* should report all annuities in payment regardless of whether the annuitant has an individual contract (i.e. bulk annuities in payment should be reported for each individual recipient not as one single contract in payment). Annuities in payment to dependents, spouses and civil partners of the original annuitant should be included.
Q14: What was the total income paid on all your annuities in payment during the reporting period? (£)	Report the total amount of all annuity payments made during the period. The figure should be reported in pounds sterling and single units.
Q15: What is the total number of plans where the plan holder made regular withdrawals by drawdown or UFPLS?	Report the total number of plans where the plan holder gave instructions for regular withdrawals at any point previously (by drawdown or by UFPLS) and where the plan remains invested at the end of the reporting period. Include plans with regular withdrawals of any frequency (e.g. annual, quarterly, monthly or other frequency) so long as at least one withdrawal was made during the reporting period. Include plans where the plan holder has chosen to take additional ad hoc payments in addition to their regular income or has chosen to vary the level of their regular payments during the period. Include all plans with regular withdrawals regardless of whether the plan holder accessed their plan prior to this reporting period or not. Plans with both capped and flexi-access drawdown should be captured. Plans where the plan holder remained invested but did not take an income in the period can be excluded. If this figure is lower than 750, questions 17 – 31 can be left blank.
Q16: What is the total number of plans where the plan holder made ad hoc partial withdrawals by drawdown or UFPLS?	Report the total number of plans where the plan holder has received ad hoc payments (by drawdown or by UFPLS) and where the plan remains invested at the end of the reporting period. Do not include any plans where the plan holder has

	given instructions for regular withdrawals as these should be reported separately at question 15. Plans with both capped and flexi-access drawdown should be captured. Plans where the plan holder remained invested but did not take an income in the period can be excluded. If this is figure is 0, questions 32 and 33 can be left blank

Part 2 - Withdrawals flow data (questions 17 to 34)

This section captures more information about the plans reported in questions 15 and 16 where plan holders made one or more withdrawals in the relevant period and remain invested at the period end, and includes plan holders regardless of when they began accessing their plan. The *guidance* for questions 15 and 16 provides more information on which plans should be included.

Plans where the plan holder remained invested but did not take an income in the period can be excluded.

Plans where the plan holder gave instructions for regular withdrawals should be reported under questions 17 to 31.

Note that *firms* should only complete questions 17 to 31 where 750 or more plans with regular withdrawals are reported in question 15. If this is not the case, these questions can be left blank.

Include plans with regular withdrawals of any frequency (e.g. annual, quarterly, monthly or other frequency) providing that at least one withdrawal was made during the reporting period. Plans where the plan holder has given no instructions for regular withdrawals and instead has made withdrawals by one or more ad hoc requests should be reported under questions 32 and 33.

Where plan holders have set up a regular payment and also taken one or more ad hoc withdrawals during the reporting period, *firms* should include their plans in the answers on regular withdrawals (questions 17 to 31) and not ad hoc withdrawals (questions 32 and 33).

In questions 17–24 plans should be reported in the age band column that reflects the age of the plan holder at the end of the reporting period.

In questions 25–33 plans should be reported in the pot size band column that reflects the pot size at the start of the reporting period, or when the plan entered drawdown (if later).

Note that questions 32 and 33 should only be completed where one or more plans with ad hoc partial withdrawals are reported in question 16. If this is not the case, these questions can be left blank.

To answer questions 17 to 31, *firms* should calculate annual withdrawal rates for all the plans with regular withdrawals set up and which were reported in question 15.

Firms should not calculate withdrawal rates for each withdrawal; it is a rate of withdrawal for each plan holder over the year that should be calculated.

Firms are should use one of two methods set out below for calculating annual withdrawal rates.

Method 1 – Electronic valuations (where possible)

Where *firms* can extract an up to date valuation electronically, *firms* should use the following method:

- Step 1: the member's plan value (in pounds sterling) at the beginning of the period being reported is extracted (including both crystallised and uncrystallised funds);
- Step 2: any contributions and transfers in to the plan over the period are added to the value at step 1;
- Step 3: any transfers out of the plan and/or PCLS over the period are deducted from the value at step 2; and
- Step 4: all income payment withdrawals over the period (regular and ad hoc drawdown and UFPLS) should then be totalled and divided by the value after step 3 to calculate the annual withdrawal rate.

Method 2 – Latest annual valuations (where method 1 is not possible)

Where electronic valuations at specific dates cannot be extracted, *firms* should use the following alternative method:

- Step 1: extract the member's plan value (in pounds sterling) at the last annual valuation date prior to the start of the period being reported;
- Step 2: any contributions and transfers in over the 12-month period starting with the annual valuation identified in step 1 and ending with the following annual valuation (which will have taken place during this reporting period) are added to the value at step 1;
- Step 3: any transfers out of the plan and/or PCLS over the 12-month period between valuations are deducted from the value at step 2; and
- Step 4: all income payment withdrawals over the period between valuations (regular and ad hoc drawdown and UFPLS) should then be totalled and divided by the plan value after step 3 to calculate the annual withdrawal rate.

Both methods ignore investment growth as it will be carried over to the starting valuation of the next year's calculation and be reflected in the withdrawal rate reported then.

Where a plan holder enters a drawdown arrangement for the first time within the year being reported and starts regular withdrawals, *firms* should use the starting value when the plan entered drawdown.

Plans where plan holders make both regular and ad hoc withdrawals should be reported as one plan only and both the regular and ad hoc withdrawals should be included together in the rate of withdrawal calculation.

Example 1 – using method 1

A SIPP plan has an opening valuation of £200,000 at the start of the reporting period (i.e. 1 April). The plan holder has regular withdrawals set up and withdraws £100,000 from the SIPP during the reporting period. A *firm* able to extract the value of the plan at the beginning of the period (method 1) should calculate this as a 50% annual withdrawal rate, i.e. £100,000/£200,000.

Example 2 – using method 2

A SIPP provider does not have electronic valuation information available and instead undertakes manual annual valuations (method 2) on 1 October each year. Under method 2 the SIPP provider calculates the withdrawal rate for the 12 months between the last two annual valuations (i.e. October to September). To do this it should total all the withdrawals made in the 12 months between valuations and divides this against the starting valuation for the period.

The SIPP's value at the start of the period was £250,000, and the plan holder made regular and ad hoc withdrawals totalling £100,000 during the following 12 months. The *firm* should therefore calculate the withdrawal rate for this reporting period as 40%, i.e. £100,000/£250,000.

Example 3 – making contributions during the year

A plan holder starts the reporting period (year 1) with a £50,000 pot of crystallised assets and during the period makes use of their money purchase annual allowance and pays in £10,000 as uncrystallised assets. They have regular withdrawals set up and during the reporting period withdraw £12,000.

To calculate the withdrawal rate the provider divides the withdrawals of £12,000 by the total of the starting pot plus contributions (£50,000 + £10,000 = £60,000), which results in a rate of 20%.

At the start of the next reporting period (year 2) the starting valuation should include both the crystallised assets and the new uncrystallised assets resulting from the £10,000 contribution last period, even if the uncrystallised assets are in a separate arrangement and remain untouched throughout year 2.

Example 4 – entering drawdown within the reporting period

A plan holder transfers into the pension scheme in January, entering drawdown with a starting value (after PCLS) of £100,000. They set up regular withdrawals and receive £5,000 in February and £5,000 in March. The withdrawal rate should be 10%, i.e. £10,000/£100,000.

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