



NEST Rule change consultation

ICAEW welcomes the opportunity to comment on the *NEST Rule change consultation* published by NEST on 13 November 2017, a copy of which is available from this [link](#).

We note that the short, six week consultation period (which is half the recommended 12 week period, see <https://www.gov.uk/government/publications/consultation-principles-guidance>) and which spanned the Christmas holiday period was too short to allow ICAEW to undertake a detailed consultation with our members affected by these changes, and therefore our response is limited to major points rather than detailed responses to questions.

This ICAEW response of 29 December 2017 reflects consultation with the Business Law Committee which includes representatives from public practice and the business community. The Committee is responsible for ICAEW policy on business law issues and related submissions to legislators, regulators and other external bodies.

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MAJOR POINTS

Support for the initiative

1. We welcome the fact that NEST is addressing the potential IHT issue, given the recent lifting of contribution and transfer restrictions meaning IHT is more likely to become an issue for its members.
2. We support NEST's proposed novel 'opt in' mechanism for exercising discretion in order to fix the IHT issue provided that this would not prejudice the position of other Master Trusts. We have not identified any such adverse consequences but, as we explain below, the short consultation period has restricted our ability to fully consult our membership.

Timescale and timing of the consultation

3. We note that the six week consultation period, which spanned the Christmas holiday period, was too short to allow ICAEW to undertake a detailed consultation with our members affected by these changes, and therefore our response is limited to major points rather than detailed responses to questions.

RESPONSES TO SPECIFIC QUESTIONS

Consultation question

Do you think our proposed solution to address the inheritance tax issues that some NEST members may encounter on death, achieves the right balance between providing an effective solution for such members and keeping administrative costs down for the membership as a whole? Are there any consequences of such an approach we may not have identified?

4. Please see our comments above.