



HMRC: Pension schemes newsletter 125

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 125](#), which includes the following information:

- Confirmation that the protected pension age easement, introduced in limited circumstances for those re-employed for certain work in relation to the COVID-19 outbreak, expired on 1 November 2020 in accordance with current legislation
- A new section on charges and payments in the scheme record on the Managing Pension Schemes service has been added, which shows details such as the charge type and amount due for each Accounting for Tax (AFT) return submitted using the service - the [AFT return guidance](#) has also been updated
- A reminder that scheme administrators who have not logged on to their business tax account via Government Gateway in the last three years should do so as soon as possible, if they are to continue to be able to access their records online and to avoid the need for deleted credentials to be recovered

Simpler annual benefit statements

The Department for Work and Pensions (DWP) has published a [response](#) to a consultation that took place at the end of last year (see [PATHways 106](#)) on simpler annual benefit statements for certain workplace pension schemes.

DWP plans to consult further later this year on a mandatory approach for simpler statement templates, initially for defined contribution (DC) schemes used for auto-enrolment. This will use the two-page statement included in the consultation as a basis for considering the length, content and design of the template. However, there would appear to be scope for statements to be supported by supplementary and personalised information in addition to the key information provided in that shorter and simpler statement.

In relation to member charges and transaction costs, rather than providing these 'in pounds and pence', as originally proposed, statements will need to signpost to where more information on charges and costs may be obtained elsewhere.

While the proposal for all relevant statements to be posted in one standard envelope colour will not be pursued, the concept of a statement season (where all such benefit statements must be issued within a short period of time each year) is something that DWP supports and will explore further.

Closure of some UK bank accounts

There have been reports that some UK banks have been informing customers living in the European Economic Area that their bank accounts will be closed before the Brexit implementation period ends on 31 December 2020. Schemes should be aware of how this may potentially affect pensioners living abroad and decide whether to contact these individuals to help ensure alternative arrangements are made, so payment of their pensions can continue.

Pensions dashboards update

The Money and Pensions Service (MaPS) has published its second [progress update report](#) on the pensions dashboards programme, along with a [response](#) to its call for input on data standards (see [PATHways 114](#)). The progress update includes an indicative timeline (to be further refined during the next six months) for the development of dashboards including that, from April 2023 schemes and providers will start to be required by law to make data available for dashboards on a phased approach. It is not clear yet exactly when the dashboard service will be made available for use by consumers.

September CPI figure

It has been [announced](#) that the Consumer Prices Index (CPI) rate for the 12 months to September 2020 is 0.5%.

From a pensions perspective, this figure is used to determine such things as the statutory revaluation required on preserved pensions, post-88 Guaranteed Minimum Pension increases, the increase to the current standard lifetime allowance, and to determine the uprating of the opening value of defined benefits for annual allowance purposes.

The September CPI figure is also a constituent part of the Government's 'triple lock guarantee', which currently promises an increase to the State Pension of the highest of price inflation, average earnings growth or 2.5%.

TPR discussion paper

The Pensions Regulator (TPR) has [published](#) its provisional corporate strategy outlining an expected shift in primary focus over the next 15 years from defined benefit provision to defined contribution saving. The strategy analyses different groups of savers by generation, with five strategic priorities emerging: security, value for money, scrutiny of decision making, embracing innovation, and bold and innovative regulation.

The provisional strategy has been published in the form of a discussion paper on which feedback is requested by 16 December 2020. Meetings with key stakeholders are planned during the autumn to discuss TPR's analysis and strategic priorities, after which the final strategy will be published in the new year.

'Stronger nudge to pensions guidance' proposals

DWP has published a [statement of policy intent](#) setting the actions it is planning to take in relation to encouraging greater take-up of Pension Wise guidance.

Currently, schemes are required to 'signpost' the existence of Pension Wise but the Financial Guidance and Claims Act 2018 (once the relevant section within that Act is brought into force) will require the government to make regulations so that DC occupational schemes must ensure that members are referred to 'appropriate pensions guidance', are advised of the nature and purpose of that guidance, and have subsequently either received or opted out of receiving the guidance before they are able to proceed with flexibly accessing or transferring their benefits.

Following successful 'Stronger Nudge' trials led by MaPS, DWP has advised that it will be consulting on draft regulations covering how the above requirements will be implemented for occupational pension schemes.

DWP is also working with the Financial Conduct Authority, which will be responsible for introducing corresponding rules for personal pension schemes.