

LEGISLATION

PENSION NEWS

# PATHways

PENSION ADMINISTRATION TECHNICAL HELP

HIGHLIGHTING PENSIONS NEWS AND LEGISLATION THAT HAS PARTICULAR RELEVANCE TO WHAT WE DO IN PENSION ADMINISTRATION

## Pension transfers and early exit charges consultation

The Government has launched [an open consultation](#) to solicit views on how best to remove perceived barriers to people taking advantage of the new pension flexibilities introduced in April 2015.

The consultation runs until 21 October 2015 and will consider issues around:

- charges for early exit penalties, looking at options to address these where deemed excessive;
- making the process for transferring pensions quicker and smoother; and
- concerns in relation to the provision and need for financial advice when making certain transfers and how there can be greater clarity around the circumstances in which financial advice should be sought

Building on the pension reforms and hot on the heels of the consultation launch above, the Government has also launched a wider '[Financial Advice Market Review](#)' to cover all types of retail financial products to look at how financial advice could work better for consumers. The review will report ahead of Budget 2016.

## HMRC: Pension schemes newsletter 71

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 71](#) which includes information on:

- Qualifying recognised overseas pension schemes (QROPS) stakeholder forum
- ROPS (recognised overseas pension scheme) notification list
- Annual allowance
- Relief at source - annual returns of individual information for tax year 2014 to 2015
- Pension flexibility statistics
- Lifetime allowance
- Pension scheme registration certificates
- Pension liberation message

The first two topics outline the recent changes to the pension tax rules relating to overseas transfers and provide insight on what HMRC feels the purpose of the ROPS notification list is.

Consistent with previous reporting of changes to the list itself in PATHways issue 52, HMRC continues to emphasise that in the event of an overseas transfer 'It is the responsibility of the individual [member] and scheme administrator making the overseas transfer to check that the receiving scheme meets the requirements to be a QROPS'.

## News from TPR

The Pensions Regulator (TPR) has made use of the enforced break in the deluge of pensions legislation prompted by the parliamentary summer recess to publicise some of its messages:

- [Urging](#) trustees of defined contribution (DC) pension schemes to ensure they are on track to meet the new requirements introduced by [the Occupational Pension Schemes \(Charges and Governance\) Regulations 2015](#) which were previously covered in PATHways issue 52
- Setting out new practical [guidance](#) for trustees of defined benefit (DB) pension schemes in relation to the employer covenant assessment which sets out TPR's expectations on proportionality and offers practical assistance to help trustees to apply the appropriate sections of the [DB funding code of practice](#)
- [Reminding](#) small and micro employers to prepare to meet new workplace pension duties in advance of their automatic enrolment staging date

## Unfunded Public Service DB Schemes (Transfers) Regulations 2015

[The Unfunded Public Service Defined Benefits Schemes \(Transfers\) Regulations 2015](#) were made during August and will come into force on 7 September. These regulations will prevent transfers from unfunded public service defined benefits schemes to QROPS which can provide flexible benefits.

This is in line with the broad policy principles set out by the Government in its response to the 'Freedom and Choice in Pensions' consultation in summer 2014 and these regulations close a loophole identified in the existing legislation.

## Summer Budget update

With progress of the Finance Bill 2015-16 stalled until parliament returns to session after the summer recess, the Association of Consulting Actuaries (ACA) has [written to](#) HMRC to clarify the policy intention regarding the interaction of salary sacrifice arrangements with the tapered annual allowance.

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