

# PATHways

## Pension Administration Technical Help

Highlighting pensions news and legislation that has particular relevance to what we do in pension administration



## Pension Schemes Bill published

The new session of Parliament opened with the [Queen's Speech](#), which confirmed the introduction of a Pension Schemes Bill. This Bill has now been [published](#). As widely expected, the Bill includes provisions for:

- a legislative framework for collective defined contribution (here named 'collective money purchase') schemes
- a range of new sanctions, fines and offences aimed at helping the Pensions Regulator (TPR) to tackle the deliberate avoidance of sponsoring employers debt
- establishing pensions dashboard services, requiring pension schemes to provide information to the providers of these services and allowing the Money and Pensions Service to set standards and establish its own dashboard
- restricting the statutory right to a transfer - including to occupational or overseas pension schemes, potentially by requiring members to provide information about their employment or residency in order to qualify
- requiring trustees to produce clearer statements of their scheme's funding and investment strategy and their approach to ensuring that this strategy is successful

Many of these changes have been consulted on previously – for example the proposed change to the statutory right to transfer was [trailed](#) in August 2017. The upcoming General Election may yet result in this Bill being abandoned in its current form.

## TPR crackdown on record keeping

TPR has [announced](#) that it will ask the trustees of 400 schemes to conduct a review of their data within six months. The affected schemes are those which are believed not to have reviewed their data in the last three years. Schemes which fail to respond with a report on their common and scheme-specific data scores may be issued with improvement notices, possibly leading to a future fine.

## High Court rejects women's State Pension Age claim

The High Court has issued its [judgement](#) dismissing claims against the government's timescale for increasing the State Pension Age (SPA) for women. These changes were made through various Pensions Acts between 1995 and 2014, and affected women born after 6 April 1950. The Court rejected the claims made on the grounds of age discrimination, sex discrimination and the lack of notice given for the changes.

## Pensions Ombudsman publishes 2019-22 Corporate Plan

The Pensions Ombudsman (TPO) has published its [2019-22 Corporate Plan](#). TPO aims to make the experience of using its services shorter and simpler. This includes dealing with cases at the earliest opportunity, developing the ability to deal with TPO online and working more closely with other bodies such as the Financial Ombudsman Service.

## HMRC update

### Pension schemes newsletter 114

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 114](#). This includes an update on the HMRC GMP Equalisation Working Group's activities. The Group intends to publish guidance for GMP equalisation in December 2019. This will cover the implications on the lifetime allowance (LTA), LTA protection regimes and annual allowance. The Group is continuing to work on issues around the payment of various lump sums, and is yet to reach any conclusions relating to GMP conversion exercises. Separately from its analysis of GMP equalisation, HMRC has published a [guide](#) to the annual allowance tax charge. The newsletter also contains guidance on moving pensioners from one payroll to another under a new PAYE reference.

### Countdown Bulletin 49

HMRC has also published [Countdown Bulletin 49](#) which covers the support available to schemes after the Scheme Reconciliation Service (SRS) has ended. All schemes who engaged with the SRS will receive their final data cut later this year. GMP figures can now only be queried if a 'life event' is occurring – this is defined in [Countdown Bulletin 35](#) as a member leaving, transferring, reaching their state pension age or GMP payable date, on divorce, or death.

## DWP updates Shareholder Rights Directive II fact sheet

The Department for Work and Pensions (DWP) has updated its [fact sheet](#) on the Shareholder Rights Directive II, to reflect the additional investment disclosure required by the new regulations covered in [PATHways 92](#) and [101](#). The guidance attempts to set out in a simplified manner the new responsibilities for trustees to publish policies on their investment strategies, engagement with investment companies and asset manager arrangements.

## DWP publishes General Levy consultation

The DWP has published a [consultation](#) on increasing the General Levy for occupational and personal pension schemes from April 2020. The Levy is used to fund TPR, TPO and some of the functions of the Money and Pensions Service. Changes in the pensions landscape have resulted in the expenditure of these bodies increasing as the level of their activities has grown. As a result, DWP is proposing four options for Levy increases – with the change possibly being phased in over a number of years.

## Office of Tax Simplification recommends pension changes

The Office of Tax Simplification has issued a [report](#) on the effects of taxation on individuals at various life events.

The report highlights the areas of pensions taxation which prove particularly difficult for individuals, including the lifetime and annual allowances, and the implications of the net pay arrangement for tax relief for lower earners.

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