

PATHways

Pension Administration Technical Help

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



Department for Work and Pensions updates

New statutory guidance on GMP conversion legislation

The Department for Work and Pensions (DWP) has published [statutory guidance](#) on the use of the existing Guaranteed Minimum Pension (GMP) conversion legislation as a solution for equalising for the effect of unequal GMPs following last year's Lloyds Banking Group GMP equalisation ruling.

The guidance recaps on why GMPs create inequality in overall scheme benefits (with an example) and why inequalities arising from GMPs need to be addressed, before outlining a ten stage process which would result in "the adjustment of an individual's benefits to compensate for post 16 May 1990 GMP inequalities as well as conversion of all of the individual's GMP". The process includes:

- Employer consent
- Deciding which members to include and the benefits to be converted, the form of post conversion benefits and setting the conversion date
- Pre conversion consultation
- Valuation, equalisation and conversion calculations and actuarial certification
- Modification of the scheme to effect conversion
- Post conversion notifications

The DWP continues to separately consider changes to the GMP conversion legislation to clarify certain issues. Information and guidance is also awaited from HMRC on pension taxation issues, including those relating to the areas of lifetime allowance protections, annual allowance and transfers out.

Government response to pensions dashboards consultation

Further to coverage in [PATHways 95](#), the DWP published [the Government's response to its Pensions Dashboards consultation](#) on 4 April 2019.

The response sets out the Government's course of action and provides direction for the delivery group being convened by the Money and Pensions Service, including setting its priorities for 2019.

More widely, the response sets out why the Government is opting for a phased introduction in relation to the implementation of the dashboard service, the steps that will be taken to protect individuals using dashboards, how the Government envisages dashboards operating and the ecosystem which would support them and how the dashboard service will be funded, along with a proposed governance structure.

There is little mention of defined benefit (DB) pension rights and how information about such pensions might be displayed in a common format to that provided by defined contribution (DC) pension schemes.

HMRC Pension schemes newsletter 109

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 109](#) which covers a range of topics including:

- Pension flexibility and scheme registration statistics
- Information on the Managing Pension Schemes service including new features, practitioner authorisation and a request for scheme administrators with multiple scheme administrator IDs to contact HMRC in advance of their data being migrated from the legacy Pension Schemes Online system to the Managing Pension Schemes service
- Confirmation that overseas transfer charge regulations have been made

New legislation

Repayment of overseas transfer charge

The Pension Schemes (Information Requirements – Repayment of Overseas Transfer Charge) Regulations 2019

These [regulations](#) which came into force on 25 April 2019 detail the process for claiming a repayment of the overseas transfer charge where the charge was either paid in error or a change in the individual's circumstances within five full tax years after the transfer was paid means the original transfer has now become exempt from the charge.

Bridging pensions to take into account rise in state pension age

The Equality Act (Age Exceptions for Pension Schemes) (Amendment) Order 2019

Further to coverage in [PATHways 96](#), the DWP published [the Government's response to its consultation on the draft age exception order legislation](#) on 24 April 2019 and laid these [regulations](#) which amend the Equality Act (Age Exceptions for Pension Schemes) Order 2010 from 15 May 2019. The effect of the amendment is to allow occupational pension schemes to continue to provide bridging pensions up to state pension age beyond age 65.

TPR warning to comply with law on chair's statements

The Pensions Regulator (TPR) has [warned](#) that trustees must produce a chair's statement which is compliant with the law after fines against two schemes were upheld in separate court cases after trustees appealed to the First-Tier Tribunal.

The judges agreed that a mandatory penalty applies for chair's statements which are not compliant, therefore in these cases TPR was right to issue the fines.

Whilst all reasonable care has been taken in the preparation of this publication no liability is accepted under any circumstances by Barnett Waddingham LLP for any loss or damage occurring as a result of reliance on any statement, opinion, or any error or omission contained herein. Any statement or opinion reflects our understanding of current or proposed legislation and regulation which may change without notice. The content of this document should not be regarded as specific advice in relation to the matters addressed.