

PATHways



Pension Administration Technical Help

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



HMRC updates

HM Revenue & Customs (HMRC) has published the following guidance:

Pension schemes newsletter 106

The [latest instalment](#) covers a range of topics including:

- An update on how death benefit payments that are entirely non-taxable should be reported, confirming that incorrect guidance was given in [Pension schemes newsletter 104](#) and providing further clarification
- A note that HMRC is considering the pension tax rules issues arising following the High Court's ruling on the requirement for pension schemes to equalise benefits for the effects of Guaranteed Minimum Pension (GMP) accrual and that they expect to issue information and advice on this in the coming months
- A note that the 'Manage and Register Pension Schemes' service has been renamed, to more accurately reflect what HMRC feel the service is used for, and will now be called 'Managing Pension Schemes'

Countdown bulletin 41

[Countdown bulletin 41](#) has information on topics in relation to the end of contracting-out including:

- Confirmation that the cut-off date for scheme financial reconciliation was 11 January 2019 and the cut-off date for schemes to request their financial position is 28 February 2019 before the final refund and billing exercises in March 2019
- Confirmation that, regardless of scheme financial reconciliation activity, schemes must continue to pay paper bills if they wish to prevent HMRC's business as usual enforcement process cancelling debt and re-instating the contracted-out liability in the scheme

GMP conversion and equalisation

New [GMP conversion and equalisation](#) guidance has been added to the [Pension administrators](#) section of the gov.uk website.

The guidance briefly covers how schemes can convert GMP into other scheme benefits. It confirms, citing the [proposed methodology](#) previously consulted on, that while GMP conversion can be used as part of a process to equalise pensions to remove inequalities between men and women caused by GMPs other methods are available.

New 'GMP Equalisation' industry group formed

A new industry group has been [formed](#) to formulate and promote best practice in relation to issues arising from the High Court's ruling on the requirement for pension schemes to equalise benefits for the effects of GMP accrual between 17 May 1990 and 5 April 1997. The group will be convened under the stewardship of the Pensions Administration Standards Association (PASA).

Legislative update

Standard Lifetime Allowance

The Finance Act 2004 (Standard Lifetime Allowance) Regulations 2019

These [regulations](#) (SI 2019/29) set the standard lifetime allowance for the tax year 2019/20 as required by the Finance Act 2004, confirming as expected following the Autumn 2018 budget statement that it will be £1,055,000.

Draft legislation

The Guaranteed Minimum Pensions Increase Order 2019

The [draft GMP increase order](#) states that the rate by which post-6 April 1988 GMPs must be increased from 6 April 2019 will be 2.4%.

The Social Security Benefits Up-rating Order 2019

The [draft social security uprating order](#) sets out that, amongst other things, the full rate of the 'new' state pension will increase to £168.60 a week on 8 April 2019.

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

The Department for Work and Pensions (DWP) is [consulting on](#) draft legislation to allow occupational pension schemes that integrate scheme benefits with the state pension arrangements to continue to provide 'bridging pensions' to take state pension into account without breaching age-related equality obligations for members whose state pension age is greater than age 65. This legislation is required because of the increase in state pension age beyond age 65.

Exiting the EU

The Pensions Regulator (TPR) has [issued](#) a statement on the UK's exit from the EU, aimed primarily at the trustees of defined benefit (DB) occupational pension schemes. TPR "do not expect the UK's departure from the European Union (EU) to have a significant effect in respect of the legislative basis under which schemes operate or trustees' ability to continue to administer their scheme effectively" be that whether the departure is via a negotiated settlement or in a 'no deal' scenario.

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