

LEGISLATION

PENSION NEWS

PATHways

PENSION ADMINISTRATION TECHNICAL HELP

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

HMRC: Countdown bulletins 15 and 16

HM Revenue & Customs published [Countdown bulletin 15](#), which was quickly followed by and expanded upon in [Countdown bulletin 16](#), and includes:

- **The 'Guaranteed Minimum Pension (GMP) Checker'** (formerly known as the GMP Micro Service) was made available from 6 April 2016 to pension scheme administrators to obtain GMP calculations, contributions and earnings data for individual members of their pension scheme. To access the service administrators will need either their Pension Scheme Administrator ID (PSAID) or Practitioner Identification Details (PID) and associated password.

It is intended that the GMP Checker will continue to be developed to allow a bulk facility to obtain calculations in respect of multiple members, and a new version will be released in due course.

The GMP Checker can be found [here](#).

- **GMP Queries** – Where you need to query the results from the GMP checker or the service advises a GMP cannot be provided, you can complete the "GMP Service Queries" database in your LIVE Shared Workspace room or otherwise [email](#) them. The Scheme Reconciliation Service (SRS) should continue to be used to reconcile scheme memberships.
- **GMP Increments** – Where members remain in employment and defer payment of their GMP by seven weeks or more after GMP age, pension schemes are required to pay GMP increments in accordance with Pensions Schemes Act 1993. If a member is entitled to pre 6 April 1988 GMP increments schemes must continue to notify HMRC via the CA1597 form after April 2016.

If a member's State Pension Age is before 6 April 2012, schemes must notify HMRC of all GMP increments by completion of the CA1597 form. HMRC will review the member's State Pension which may result in an increase.

- **Tracking Contracted-out Rights after 2016** – HMRC will no longer track contracted-out rights after 5 April 2016, therefore schemes do not need to advise HMRC of any movement of membership (e.g. transfers) that occur after that date. It will be the scheme's responsibility to track these movements. Any movements prior to 6 April 2016 will still need to be advised to HMRC well in advance of December 2018.
- **National Insurance categories from 6 April 2016** – Contracted-out NI tables/categories D, E, I, K, L, N, O and V will be replaced by standard NI tables/categories A, B, J, M, P, Q, R, T, Y and Z.

In addition to the above cessation of contracting-out topics, Countdown bulletin 16 provides answers to frequently asked questions on the Scheme Reconciliation Service (SRS) and provides information for employers with a former contracted-out scheme. There are also some useful contact details and links for enquiries relating to the new State pension statements and calculations, contracted out pensions or National Insurance contributions.



Department for Work and Pensions (DWP) update

The Department for Work and Pensions (DWP) has produced a [guide and resource pack](#) to help answer questions on the new State pension for people reaching State Pension age on or after 6 April 2016. A separate and more detailed guide called '[Your State Pension Statement explained](#)' is also available.

The Pensions Regulator (TPR) advises on the revised Defined Contribution (DC) scheme returns

TPR is calling on trustees to prepare for changes in their annual defined contribution (DC) scheme return or risk being fined for failing to comply with the law.

TPR has begun advising trustees of DC schemes about a number of changes to the scheme return so they can plan in advance. TPR will be sending out revised scheme returns from July this year. In a change from last year, schemes are now required to provide information about how they comply with the requirements brought in by legislation in 2015, including charge controls and scheme governance.

TPR has produced a useful [checklist](#) to assist trustees in completion of the new scheme return.

TPR consulting on 'how to' guides for trustees to support new DC code

Following the [draft new DC Code](#) issued in November 2015 (applicable to all trust-based occupational defined contribution (DC) schemes), several '[How to](#)' guides have been published for consultation.

The guides have been designed to support the new shorter code and explain to trustees how they can demonstrate compliance with the law. The Code applies not just to DC and hybrid schemes but to DC Additional Voluntary Contributions (AVCs) within defined benefit schemes.

The new DC code assumes that its readers have a good knowledge of the legislation – where this isn't the case TPR recommends trustees undertake appropriate training, including the trustee toolkit, and take professional advice.

The code sets out what TPR regards as the 'basic hygiene duties' of a scheme to remain compliant, including key areas such as scheme returns and the chair's statement.

The [consultation on the guides](#) will run until 11 May 2016 and are expected to come into force in July 2016.

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