

PATHways

Pension Administration Technical Help

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



HMRC Countdown Bulletins 46 and 47

HM Revenue & Customs (HMRC) has published Countdown Bulletins [46](#) and [47](#). In particular, HMRC:

- Encourages schemes to engage or re-engage in the Scheme Financial Reconciliation (SFR) billing and refund exercises
- Outlines the automated Scheme Financial Allocation process for offsetting unallocated money received from schemes against outstanding money owed to HMRC
- Provides more information about the SFR exercises: HMRC currently expects to issue billing letters to schemes shortly after 15 August 2019 and refund letters by the week commencing 23 September 2019. Payment to HMRC must be made by 27 September 2019 at the latest, otherwise member liabilities will be reinstated in schemes on 17 October 2019

HMRC Pension schemes newsletter 112

HMRC has published [Pension schemes newsletter 112](#) covering the usual range of topics. This edition includes a reminder that annual allowance pension savings statements for the 2018/19 tax year must be issued by 6 October 2019 and a request to remind members exceeding the annual allowance, and who do not have sufficient unused annual allowance to carry forward to cover the excess, to declare this on their Self Assessment tax return.

Call to Action on GMP equalisation

The GMP Equalisation Working Group (GMPEWG), launched in January 2019, has urged [A Call to Action](#) on GMP equalisation. The GMPEWG's document identifies three initial areas for schemes to start working on now:

- Understanding and progressing GMP rectification
- Reviewing the quality and availability of the data needed for GMP equalisation
- Managing impacted transactions, such as transfer, trivial commutation and serious ill-health lump sum payments

This Call to Action will be followed up with a guidance paper on the relationship between GMP rectification and equalisation. The first version of full guidance documents for Data, Impacted Transactions, Methodology, and Tax will also be issued later in 2019.

FCA consultation

The Financial Conduct Authority (FCA) has published [Consultation Paper CP19/25](#) – Pension transfer advice: contingent charging and other proposed changes, on proposed changes to the FCA Handbook.

The FCA is concerned that too many advisers are delivering poor advice due, in particular, to the practice of contingent charging where advisers only get paid if the transfer goes ahead. With the overall intention of reducing the number of individuals transferring when it is not in their best interests, it is therefore proposing a package of measures including a ban on contingent charging for defined benefit transfers and conversions, except in certain limited circumstances, and other changes.

TPR news

Consultation on the future of trusteeship and governance

The Pensions Regulator (TPR) has launched a [consultation](#) on the future of trusteeship and governance including proposals to reduce the number of poorly governed pension schemes.

Single Code of Practice

TPR has [announced](#) that it will be reviewing its 15 Codes of Practice and is considering combining the content of these to 'form a single, shorter code' which will be 'quicker to find, use and update, so that trustees and managers of all types of scheme can be more responsive to changes in regulation'.

PASA transfer guidance

The Pensions Administration Standards Association (PASA) has published its [Defined Benefit Transfers: A Guide to Good Practice](#). This is Part 1 of a series, which deals with more straightforward transfer cases. Part 2 is planned to follow towards the end of 2019 covering 'non-standard' or complex transfers.

The aim of the guidance is to:

- Improve the overall member experience through faster, safer transfers
- Improve efficiency for administrators
- Improve communications and transparency in the processing of transfers

A key element of the guidance is the Transfer Template which was designed by a group of industry representatives under the supervision of the FCA and TPR, to help improve the level of information provided by pension schemes to financial advisers and the quality of advice given by advisers on pension transfer cases.

It is noted that while the guidance is voluntary, PASA anticipates that the Pensions Ombudsman will reference it, as a source of good industry practice, when reviewing complaint cases.

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