

PATHways

Pension Administration Technical Help

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



Pension schemes newsletter 140

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 140](#), which includes the following information:

- Details in relation to the tax treatment of interest paid in connection with pension scheme arrears, due as a result of equalising for the effect of Guaranteed Minimum Pension (GMP) inequalities. Broadly speaking, where payment is made to an individual living in the UK, there is not normally an obligation for trustees to deduct income tax in relation to that interest payment. Where tax is due because the individual does not have sufficient allowances for earning interest before tax has to be paid, the recipient should include the interest in a self-assessment tax return or notify HMRC of the liability if they do not receive a tax return notice.
- A reminder of the action that needs to be taken to migrate pension schemes to the Managing pension schemes service, together with contact details if someone has incorrectly tried to re-register an existing pension scheme by mistake. Information on migrating existing retirement annuity and deferred annuity contracts is also provided, together with confirmation that the event report functionality is currently expected to be released in Spring 2023.
- A signpost to The Pensions Regulator's (TPR) most recent [blog](#) on pension scams, a summary of the [threat assessment](#) and [new guidance](#) on how to report pension scams.
- Further clarification of the scheme pays reporting requirements, which occur when a retrospective change of facts from the employer that affects an individual's pension input amount for a previous tax year has taken place. [PATHways 133](#) and [134](#) include further information in relation to this recent scheme pays option.

Pensions consumer journey feedback

TPR has issued a [feedback statement](#) in relation to the joint TPR and Financial Conduct Authority call for input on the pensions consumer journey. This focussed on how best to engage customers to enable them to make informed decisions that lead to better pension saving outcomes.

The response summarises the themes identified and sets out the joint responses, ongoing workstreams and how the feedback will be used to inform future work.

Helping savers understand their pension choices

Department for Work & Pensions (DWP) has published a [call for evidence](#) to explore such things as what additional support pension savers need to help them make informed decisions when accessing their pension savings from occupational pension schemes, as well as whether additional decumulation products should be made available in the future.

The call for evidence ends on 25 July 2022 and will inform Government of what, if any, action is required to help pension savers make the most of their retirement choices.

Pensions Dashboards

Several items have been published in relation to Pensions Dashboards recently, including:

- DWP has published a [further consultation](#), focussing on two elements of the indicative draft Dashboards regulations (see [PATHways 132](#)). These relate to the sharing of certain data between TPR and the Money and Pensions Service and proposals on the legal position to notify of the 'dashboards available point' (DAP). This is the point at which dashboards services will be made available to the public. DWP propose that regulations should require a 90 day notice period between the DAP being formally announced and the DAP itself. It will be interesting to see from the outcome of this consultation whether respondents believe this proposal is reasonable. This consultation closes on 19 July 2022.
- TPR has released its [initial guidance](#) aiming to help trustees prepare for Pensions Dashboards. This guidance has been based on the draft regulations consulted on earlier this year and will be updated once the final regulations are published. This coincides with a TPR press release announcing the start of their "Deadline" [campaign](#), designed to increase trustee awareness of their pending Dashboards requirements. This finishes with a list of jobs trustees should consider doing now.
- The Pensions Administration Standards Association (PASA) data working group has published its [Dashboard accuracy data guidance](#). This is designed to assist trustees and administrators review and prepare key member data in advance of the Dashboards data matching requirements coming into force. It includes some practical steps schemes may take, as well as examples of external data sources which could be used to validate member information.

PASA GMP equalisation guidance

PASA has issued its most recent [guidance](#) in relation to GMP equalisation. This publication focusses on some of the administration issues in relation to past transfers out. This sets out potential trustee decisions and administrative implications in a checklist format on a range of issues that may arise when performing such equalisation exercises.

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