BARNETT WADDINGHAM
beyond the expected

# PATHways

Pension Administration Technical Help

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

## GMP Equalisation Working Group – new methodology guidance

The GMP Equalisation Working Group has published guidance outlining methods that schemes could use to assist them equalise any sex based inequalities of members' Guaranteed Minimum Pensions (GMPs) within a pension scheme. It also suggests how trustees and their administrators could deal with some of the common issues that can arise when implementing an equalisation project.

Separate guidance from the group is expected to be issued over the next few months covering data issues, impacted transactions, tax issues, reconciliation and rectification of GMPs. The group intends to update its guidance in the future to reflect developments such as the outcome of the next instalment of the Lloyds Bank case and any guidance from HMRC on tax implications.

## New Work and Pensions Secretary appointed

Thérèse Coffey, the MP for Suffolk Coastal, has been appointed as the new Secretary of State for Work and Pensions. Dr Coffey replaces Amber Rudd who resigned from the Cabinet and is the sixth person to hold this position since March 2016.

## PMI calls for mandatory accreditation of professional trustees

The Pensions Management Institute (PMI) has called for the compulsory accreditation of professional trustees to be implemented within the next five years as part of their response to The Pensions Regulator's (TPR's) consultation on the future of trusteeship and governance. The PMI has also suggested that more stringent regulations are required to make it necessary for sole trustees to be registered as a company, rather than an individual, whilst all professional trustees should generally be held to greater levels of professionalism and training.

## TPR updates DB investment guidance

TPR has updated its DB Investment Guidance to reflect changes arising from the The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018. The update involves significant rewriting of various sections throughout the Investment Governance and Investing to Fund DB Schemes sections of the guidance.

# Post-Brexit overseas transfer charge exemption issue resolved

Currently one of the occasions where the overseas transfer charge exemption applies is where a Qualifying Recognised Overseas Pension Scheme (QROPS) receiving the transfer is established in a country within the European Economic Area (EEA) and the member is also resident in a country within the EEA.

This potentially causes a tax issue for UK residents either considering transferring or who have already transferred and were UK resident at that time to QROPS in EEA states if the UK leaves the EEA as a result of Brexit. Given the broadly five year relevant period that applies to this exemption, this may have impacted transfers made before the date of Brexit However, The Taxes (Amendments) (EU Exit) Regulations 2019 resolves this potential issue. Regulation 12 which comes into force on 'exit day' amends Finance Act 2004 to extend the scope of that particular exclusion to transfers where the receiving scheme is in an EEA state and the member is or was resident in the UK or a EEA state.

# Money and Pensions Service supports pensions dashboard delivery

The Money and Pensions Service has announced the creation of a new steering group to support delivery of pensions dashboards, which aim to ensure UK savers have easy online access to key information about which pensions they have, who manages them, and what they are worth all in one place. The steering group is made up of representatives from consumer groups, as well as stakeholders from within the pensions, financial services and financial technology sectors.

# Consultation on changes to independent schools and teachers' pension scheme

The Department for Education has launched a consultation seeking further views on proposed changes to the participation of independent schools in the Teachers' Pension Scheme. The consultation concerns proposals to change the England and Wales Teachers' Pension Scheme rules to allow independent schools to opt out of the scheme on a more flexible basis.