

PATHways



Pension Administration Technical Help

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



HMRC newsletters

A [lifetime allowance \(LTA\) guidance newsletter](#) was published on 13 February and then republished on 27 February 2024, as a result of changes made to the HMRC (HM Revenue & Customs) Event 24 section. This newsletter includes:

- HMRC's responses to 18 frequently asked questions. This includes information on lump sums and lump sum death benefits, reporting requirements, the overseas transfer allowance, protections and enhancement factors, and transitional arrangements.
- Information which aims to clarify HMRC's policy intent in relation to transitional tax-free amount certificates. This information includes confirmation that HMRC will provide guidance to schemes to help them determine what may be considered as 'complete evidence' in relation to the information members will need to provide as part of their application for a certificate. HMRC also plans to publish guidance for members on Gov.uk to help them understand such things as how they can apply for a certificate and in what circumstances they should consider doing so.
- Further information on several other areas, including Pension Commencement Excess Lump Sums (PCELS), which includes confirmation that the intended 'permitted maximum' for PCELS will be removed from legislation – presumably before 6 April 2024. Some details on new event 24 on the Event Report, Real Time Information requirements and annual and transitional allowance certificates are also provided.

A further LTA newsletter is expected in early March 2024, which we expect will include more of the outstanding information that is needed before schemes can fully operate in accordance with the new HMRC requirements from 6 April 2024. It is anticipated that these newsletters will continue to be published after 6 April, providing schemes with further details in relation to the abolition of the LTA over time.

[Pension schemes newsletter 156](#) was published on 23 February 2024 and includes the following:

- An update to inform that the Finance Bill 2023/2024, which includes the primary legislation in relation to the abolition of the LTA, has passed through the House of Lords. The [Finance Act 2024](#) received Royal Assent on 22 February 2024.
- A reminder that the changes needed to the Finance Act 2024, in relation to the abolition of the LTA, will be made by further regulations.
- Following a previous announcement that there will be a delay in implementing the new functionality to submit pension scheme returns on the Managing Pension Schemes (MPS) service, HMRC informs that this will give schemes more time to collate and prepare the necessary information required to file these returns in that way for the 2024/2025 tax year. To help prepare for this, HMRC has published [pension scheme administrators guidance](#) on what schemes need to know to complete a pension scheme return on the MPS service.

TPR news

The Pensions Regulator (TPR) [has announced](#) it will be making organisational changes to “reinforce its strategic shift in overseeing the workplace pensions market”. Recognising the evolution in the pensions landscape from many small schemes to an environment of fewer, larger schemes, from April 2024 TPR will create three new regulatory functions.

These will be:

- Regulatory compliance – protecting pension savers' interests through the effective and efficient delivery of regulatory compliance services, targeting schemes and employers.
- Market oversight – enhancing the market through strategic engagement with schemes and others who influence pension savers' outcomes, with a strong focus on delivering value for money and trusteeship.
- Strategy, policy and analysis – using insights from its regulatory approach and elsewhere to evolve the regulatory framework and support market innovation in savers' interests.

TPR has also [published a report](#) following Capita's cyber security incident in 2023. The report informs on how TPR worked with the administrator and scheme trustees to assess the risk to pension schemes and their members. The report includes some wider learnings in relation to communication challenges and aims to provide information to help schemes in the future, in the event of a cyber security incident.

PDP blog

The Pensions Dashboards Programme (PDP) has published a [blog](#), providing an update on the central digital architecture for dashboards. It explains that this is what will connect schemes with dashboards, enabling the flow of data so that users can search for and receive back accurate pensions information.

It also outlines the three services that will make up the central digital architecture - the identity service, the consent and authorisation service and the pension finder service.

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