

# PATHways

## Pension Administration Technical Help

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



## Pension schemes newsletter 139

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 139](#), which includes the following information:

- A reminder that scheme administrators can now migrate existing schemes from the Pension schemes online service to the Managing pension schemes service, and that this migration service should be used instead of the facility to register a new scheme.
- Confirmation that the Pension schemes online service can no longer be used for any new Accounting for Tax (AFT) returns for quarters from 1 April 2020.
- AFT returns for the 1 April to 30 June 2022 quarter will need to be submitted on the Managing pension schemes service (after the scheme has been migrated) to meet the 14 August 2022 filing deadline.

## 'Stronger nudge' to Pension Wise guidance

The regulations requiring trustees of occupational schemes with DC pension savings to deliver a 'stronger nudge' to Pension Wise guidance in certain situations came into effect from 1 June 2022. The consultation on these regulations was previously covered in [PATHways 132](#) and The Pensions Regulator (TPR's) guidance on ['Communicating and reporting: DC schemes'](#) has been further updated since the publication of [PATHways 134](#).

The 'At retirement communications' section now includes details of how providers can book a Pension Wise appointment on behalf of a member or beneficiary, with different links to the online booking tools for [providers](#) and [members](#). These separate booking tools together with the new telephone number for members' use only (0800 100 166), is intended to help the Money and Pensions Service monitor the increased use of the service created by the 'nudge'.

Broadly, the final nudge requirements for occupational schemes include:

- Before an individual can access DC pension savings at retirement or transfer them, unless one of the exemptions apply, the trustees of the scheme must offer an appointment with Pension Wise and take reasonable steps to book it on their behalf if requested.
- The regulations also apply where a death benefit is payable to an individual from DC pension savings, for example an uncrystallised funds lump sum death benefit.
- Schemes must record confirmation of whether the individual has taken or opted out of the guidance. The individual can also claim an exemption if they have recently received Pension Wise guidance or regulated financial advice in respect of the application, or if they qualify for a serious ill-health lump sum.
- The 'nudge' does not apply to transfers for individuals under 50 where the transfer is not to enable access to their DC pension savings - for example to consolidate their pension pots, they have already received or opted out of this guidance in relation to another scheme or if the intended receiving scheme is a pension arrangement regulated by the Financial Conduct Authority (FCA).

## PASA releases good practice guidance on DB transfers

The Pensions Administration Standards Association (PASA) has published its updated [Good Practice Guidance on DB Transfers](#). This sets out principles and suggested approaches administrators may use, with the aim of achieving faster and more efficient transfer processes prioritising the needs of members. PASA had intended to produce guidance to cover 'Non Standard' transfer cases to complement the [first part of their original guidance](#) for 'standard cases'. The decision was made to issue Good Practice Guidance for all DB transfers instead. This was delayed by the COVID pandemic and the publication of the 2021 transfer regulations.

The guidance includes six overarching principles, which include:

- The member experience is paramount.
- Member communications should be timely, fair, clear, unbiased and straightforward.
- Members and, where appropriate, other third parties should be kept informed of delays in processing and the reason for the delay.
- When setting internal timescales for each stage of the process, administrators should be mindful of the importance of safety and security.
- Administrators should use the transfer template when providing information to member advisers.
- Administrators should work with other third parties as necessary to meet the objectives and principles of the Guidance.

The guidance encourages the use of technology to improve the efficiency of processes; for example, by using electronic identity verification for the member. In response to consultation feedback, PASA has not set timescales for transfer tasks in the guidance, however, they anticipate that the Pensions Ombudsman will reference the principles in the guidance when reviewing complaint cases. Administrators should therefore aim to align their processes with those principles where reasonably possible.

## TPR updates

### TPR publishes consultation on enforcement policy and updated prosecution policy

TPR has published [a new draft enforcement policy and an updated prosecution policy](#) for consultation. These reflect the new powers TPR has gained from the Pension Schemes Act 2021 to deter and remedy conduct which could put members' benefits at risk. The policies explain what action TPR expects to take when they exercise their powers. They set out how TPR will assess risk, carries out investigations and decides which of its enforcement powers to use. The prosecution policy covers the powers TPR has in relation to criminal and other offences. The consultation closes on 24 June 2022.

### Joint TPR and FCA value for money plans

TPR and the FCA have [confirmed their intention](#) to develop common measures to allow better comparison of DC pension schemes for value for money. They will work with the Department for Work and Pensions to publish a consultation towards the end of 2022 with proposals on how measures of customer service, fees and charges, and investment performance can be standardised. The aim is to provide data which can be used to improve competition and member outcomes.

TPR and the FCA have published a [feedback statement](#) to their joint discussion paper published in September 2021, previously mentioned in [PATHways 128](#). This confirmed that whilst there is a desire for greater transparency, there is less consensus on the measures to be used.