

PATHways

Pension Administration Technical Help

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



HMRC updates

Managing Pension Schemes service newsletter – July 2020

HM Revenue & Customs (HMRC) has published the [latest edition](#) of its newsletter providing an update on its Managing Pension Schemes service for pension scheme registration and administration.

This includes confirmation that, for schemes on this service, the Accounting for Tax (AFT) return for the quarter beginning 1 April 2020 can now be submitted and a return for the quarter beginning 1 July 2020 can now start to be compiled.

[Guidance](#) is also now available on submitting an AFT return using the Managing Pension Schemes service.

GMP equalisation newsletter – July 2020

HMRC has also published [further guidance](#) for schemes that will be adjusting benefits for the effect of inequalities in Guaranteed Minimum Pension (GMP). This edition of the newsletter deals with the treatment of lump sum payments already made and further lump sum payments including 'top-up' payments, where benefit rights are increased as a result of GMP equalisation.

HMRC makes it clear that the guidance does not apply where the GMP conversion method is being used by a scheme, and that it is not able to provide supplemental guidance on GMP conversion.

Pension schemes newsletter 122

HMRC has also published [Pension schemes newsletter 122](#), which includes information on the new features added to the Managing Pension Schemes service and mention of the GMP equalisation newsletter (both as covered above) as well as information on pension flexibility statistics and overseas transfer statistics.

The newsletter also covers some annual allowance aspects, with a reminder that schemes must issue pension savings statements for the 2019/2020 tax year by 6 October 2020 where automatically required to do so and a request that schemes remind members of the importance of declaring correct information on their self-assessment tax return.

Finance Act 2020

The Finance Bill received Royal Assent on 22 July 2020, becoming the [Finance Act 2020](#).

In relation to pensions tax measures, it includes amendments to the tapered annual allowance provisions announced in the 2020 Budget (see [PATHways 110](#)) with effect from the start of the 2020/2021 tax year. It also formalises the policy already in place, as explained in [Pension schemes newsletter 119](#) to prevent retired public sector workers from losing their protected pension age if they return to work to help with the response to COVID-19. This currently applies from 1 March to 1 November 2020, although this period may be extended up to 5 April 2021. Recent updates to HMRC's Pensions Tax Manual also reflect these changes.

Call for input on pensions dashboards data standards

The Pensions Dashboards Programme (PDP), set up by the Money and Pensions Service (MaPS) has launched a [call for input](#) on data standards for the pensions dashboards, based on the working papers on data scope and definitions published in April (see [PATHways 111](#)).

The PDP is now formally seeking input (originally delayed due to the impact of COVID-19) on questions relating to these papers, which will help the PDP deliver an initial set of data standards. Responses should be submitted by 31 August 2020. The launch is accompanied by a [blog](#) published by Guy Opperman, Minister for Pensions and Financial Inclusion.

Call for evidence on pensions tax relief

A [call for evidence](#), which was announced in the 2020 Budget but [delayed](#) due to COVID-19, has been published by HM Treasury seeking views on proposals for dealing with the way tax relief is operated for low earners. Broadly speaking, members with taxable income below the personal allowance in a pension scheme which operates the net pay arrangement currently do not get the 20% government top-up that they would get if they were in a scheme that uses the relief at source method of providing tax relief on their pension contributions. The consultation closes on 13 October 2020.

TPO Corporate Plan 2020-2023

The Pensions Ombudsman (TPO) has published its [Corporate Plan 2020-2023](#), outlining its strategic aims and updated key performance indicators for 2020/21 to ensure it focuses on three key areas: customers, stakeholders as well as staff and volunteers. The Corporate Plan also outlines potential effects of COVID-19, noting that TPO is prepared for a potential increase in the number of related complaints. TPO will be developing a new three-year strategy to take effect from April 2021 and will be consulting with key stakeholders later in the year.

GMP equalisation data guidance

The GMP Equalisation Working Group (GMPEWG), chaired by the Pensions Administration Standards Association, has published [guidance](#) on the data required for GMP equalisation.

This guidance, which follows previous GMPEWG publications on Methodology and Rectification, looks at all the data aspects of a GMP equalisation project and aims to help trustees understand the steps they can take now to get their scheme data ready for adjusting benefits for the effect of inequalities in GMP.

Updated financial services register

The Financial Conduct Authority has [launched](#) its updated [financial services register](#), including a simpler design and clearer language. The redesign aims to make the register easier for consumers to use in helping them determine whether firms they are dealing with are regulated, and if so for what activities and also gives more prominence to information about consumer protections.

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