

# PATHways



## Pension Administration Technical Help

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



## Pensions Dashboards data standards

The Pensions Dashboards Programme (PDP) has [published](#) its [data standards guide](#) containing detailed information on the data elements that will be required for initial dashboards, alongside an [introduction](#) and accompanying [video](#).

Data standards create the common language that will allow for the exchange of data between pension schemes and pensions dashboards users.

The guide provides standard definitions to assist pension providers review their data in preparation for connecting to the dashboards ecosystem and covers the data for finding and viewing information about any pensions that individuals have not yet accessed:

- The 'find' data is the information that pension schemes will receive once users have submitted their personal data to the identity service and provided consent for the pension finder service to pass their data to pension providers
- The 'view' data is the information that pension schemes will return to the dashboards for users to see once they have been matched. For example, this will include details of the type of pension arrangement, pension scheme membership start date and an estimate of the amount of the member's benefit

## HMRC: Pension schemes newsletter 126

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 126](#), which includes the following information:

- An update confirming HMRC is looking at options for migrating schemes from the Pension Schemes Online service to the Managing Pension Schemes service and encouraging scheme administrators and practitioners with multiple IDs to consider which ID they wish to use on the new service. HMRC will provide further information, which should be considered before any further action is taken
- Guidance on how scheme administrators can recover deleted Government Gateway credentials, contained in [Part 1 of the Pension Schemes Online User Guide](#), with another reminder that users who have not logged on to their business tax account in the last three years should do so as soon as possible, warning that the recovery process is not a quick one
- A request for schemes to remind members who exceeded their annual allowance in the 2019/2020 tax year and do not have sufficient carry forward to cover the excess, to declare so on their self-assessment tax return

## Consultation on the General Levy

Following the revoking of regulations that had been due to come into force from 1 April 2020 as reported in [PATHways 110](#), the Department for Work and Pensions (DWP) is now revisiting options for increasing the amount of general levy collected and has [launched](#) the Occupational and Personal Pension Schemes (General Levy) Regulations review 2020 to consult on proposals to change the structure and rates of the general levy. The consultation period will end on 27 January 2021.

The consultation sets out three options to seek to address the shortfall and growing deficit between levy income and levy expenditure. The three options, with the first being the Government's preferred option, are:

- Increase rates and introduce separate levy rates for Defined Benefit, Defined Contribution, Master Trust and Personal Pension schemes – this option would allow for a restructure in the levy rates to recognise that the supervisory regime directs more operational effort towards some scheme types than others. The consultation informs that this would result in “moderate” increases in the levy for 2021/22, with higher increases for 2022/23 and 2023/24. DB schemes in particular would see larger levy rate increases to reflect the level of supervisory focus they require
- Increase rates and introduce a separate, lower set of levy rates for Master Trusts – this is similar in structure to the first option, although the options differ in the proportion of revenue collected from each sector and in particular from DB schemes
- Retain existing levy structure and increase rates – this option would leave the existing levy structure in place, although the consultation informs that this option would not meet Government intentions

## Brexit update

The Brexit transition period ended on 31 December 2020, with the UK Government and the European Union reaching an agreement on 24 December 2020 covering some major aspects of their future relationship. As far as pension schemes are concerned, the regulatory position is likely to remain largely unaffected in the short term.

## Small pension pots working group report

The DWP has [published](#) a report from the cross-sector small pots working group, which was set up in September 2020 as reported in [PATHways 116](#).

The report sets out the working group's recommendations on how to ensure the growth in small pension pots driven by automatic enrolment does not disadvantage savers. It explores some options and discusses a number of areas for investigation for possible small pot consolidation system models. The report also suggests a framework, with a roadmap, to support progress towards the delivery of consolidation solutions. DWP intend to study the report in 2021, presumably then communicating any further steps or action that may be taken to address the challenges raised.

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