

# PATHways

## Pension Administration Technical Help

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



## HMRC news

### Pension schemes newsletter 138

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 138](#), which includes the following information:

- The [HMRC Annual Allowance calculator](#) has been updated to include the 2022/2023 tax year. This will enable members of Defined Contribution schemes who make their total contributions early in the tax year to calculate their Annual Allowance tax charge. Any other members can use it at the end of the tax year when they know what their total pension savings are for the period.
- Scheme Pays reporting - [The Registered Pension Schemes \(Miscellaneous Amendments\) Regulations 2022](#) came into force on 6 April 2022. See [PATHways 133](#) and [PATHways 134](#) for information in relation to the changes to the Scheme Pays requirements in limited circumstances. This newsletter also includes information relating to the reporting deadlines for the Accounting for Tax (AFT) return and event report, where a Scheme Pays payment under the new extended deadlines is completed.
- Re-confirmation that [The Pension \(Non-Taxable Payments Following Death\)\(Real Time Information\) Regulations 2021](#) that came into force with effect from 6 April 2022 will be amended so that there is no requirement to report charity lump sum death benefits through Real Time Information (RTI).
- AFT returns – A reminder that if you need to submit a return for the quarter 1 January 2022 to 31 March 2022, you must [migrate your pension scheme to the Managing Pension Schemes service](#) in time to compile and submit the return by the filing deadline of 15 May 2022.

### Managing Pension Schemes service newsletter

HMRC has published a [Managing pension schemes service newsletter](#), which includes more information on the following:

- pension scheme migration from HMRC's pension schemes online to managing pension schemes (MPS) service
- pension scheme reporting requirements for AFT returns, pension scheme returns and the event report
- the process for adding new scheme administrators or authorising new practitioners, and
- bulk reporting for some of the types of tax charges that can be reported via AFT returns once available via MPS

### GMP equalisation newsletter

HMRC has published its most recent [Guaranteed Minimum Pension \(GMP\) equalisation newsletter](#), which provides guidance on various pensions tax considerations when equalising benefits for the effects of inequalities in GMP. This includes information on corrective action in relation to transfer top-up payments and certain lump sum payments, as well as GMP conversion.

## Clarity on HMRC's GMP equalisation guidance on tax treatment

The Pensions and Lifetime Savings Association (PLSA) has issued a [statement](#) providing additional clarity on the guidance provided by HMRC in an earlier [GMP equalisation newsletter](#) published in February 2020. The Association said that it is aware of confusion in the industry regarding the tax treatment of the interest for late payment in terms of tax due and any responsibilities for schemes to deduct that at source. The statement includes that for pensions tax purposes, the interest should be treated as an interest payment made in respect of a late payment of pension instalments and that there is unlikely to be an obligation for schemes to withhold income tax, for payments to those inside the UK. It is anticipated that HMRC may include further clarification in a future newsletter.

## Legislation update

The [Pension Schemes \(Conversion of Guaranteed Minimum Pensions\) Act 2022](#) received Royal Assent on 28 April 2022. It adds clarity and streamlines the process of GMP conversion and makes some technical changes to existing GMP conversion legislation. It also clarifies the minimum survivor's pension required and removes the need to notify HMRC when a conversion exercise has been carried out. Consultations on the regulations coming out of the Act are expected in due course. The Act does not cover the tax aspects of conversion and, as per the recent [HMRC newsletter](#), separate legislation may be required to stipulate appropriate tax treatment in areas not adequately covered by existing pensions tax legislation. The final version of the Act was not published at the time of writing.

## Updated Defined Benefit (DB) pensions transfer advice checker

The Financial Conduct Authority (FCA) published a new format [pensions transfer advice checker](#) tool on 21 April 2022. This checker enables members who transferred out of a DB scheme after April 2015 and had received advice from an FCA-regulated firm to check if they may have received poor advice. The tool's output explains what steps an individual can take if the answers they have provided indicate they may have received unsuitable transfer advice.

## The Pensions Ombudsman – ERS factsheet

The Pensions Ombudsman has published a [factsheet](#) on using its Early Resolution Service (ERS). The factsheet gives guidance for members on what the ERS is, when they can use it, what happens as part of the ERS process, and the options available to the parties involved.

Whilst all reasonable care has been taken in the preparation of this publication no liability is accepted under any circumstances by Barnett Waddingham LLP for any loss or damage occurring as a result of reliance on any statement, opinion, or any error or omission contained herein. Any statement or opinion reflects our understanding of current or proposed legislation and regulation which may change without notice. The content of this document should not be regarded as specific advice in relation to the matters addressed.