

PATHways



Pension Administration Technical Help

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



HMRC newsletters

HMRC (HM Revenue & Customs) issued its latest [Lifetime allowance guidance newsletter](#) on 7 March 2024, which was subsequently amended on 15 March. Containing 38 frequently asked questions, along with further information in relation to enhanced protection, primary protection and the overseas transfer allowance, this newsletter provides more of the urgently required clarification needed, before schemes can fully operate as HMRC intend from 6 April 2024.

On a related matter, from 27 March 2024, HMRC started to update the relevant pages of its [Pensions Tax Manual](#) as a result of the abolition of the lifetime allowance (LTA). We can expect these updates to continue for some time, as further related regulations are made and when further clarifications are provided by HMRC. Indeed, HMRC is aware that there remain some areas of uncertainty, which will not now be legislated for until after 6 April 2024.

On 28 March 2024, [Pensions schemes newsletter 157](#) was published. As well as providing a further 39 frequently asked questions in relation to the abolition of the LTA, it also includes:

- Information on a number of regulations recently issued, including [The Pensions \(Abolition of Lifetime Allowance Charge etc\) Regulations 2024](#), which provide for amendments to current legislation from 6 April 2024, in relation to the abolition of the LTA. This includes a new temporary “statutory override” to help scheme rules continue to operate as intended where they contain benefit limits based on the LTA, as well as removing the “permitted maximum” for Pension Commencement Excess Lump Sums.
- Details of additional security measures introduced for the Managing Pension Schemes service. This information will be required for all individual scheme administrator and practitioner IDs, when accessing the service for the first time from 18 March 2024. Once completed, these additional security questions will not be asked again.
- A reminder for existing schemes to migrate to the Managing Pension Schemes service, with details of how to do so.
- An announcement that an updated APSS262 form, used to report a transfer of funds or assets from a registered pension scheme to a QROPS, will be available from 6 April 2024. HMRC has informed that they will only accept the new version of the form for such transfers from that date. Information is also provided in relation to the update of some other APSS forms, due to the introduction of the overseas transfer allowance from 6 April 2024.
- Confirmation that the HMRC event report will be updated from the 2024 to 2025 tax year, to include a new event, Event 24, which is in relation to reportable payments impacted by the Lump Sum Allowance and Lump Sum and Death Benefit Allowance. As a result of the abolition of the LTA, events 2, 6, 7, 8 and 8A will be removed from the same tax year.

TPR news

On 12 March 2024 [a speech](#) from Nausicaa Delfas, Chief Executive of The Pensions Regulator (TPR), was published relating to “The growing role of The Pensions Regulator”. This speech focussed on the role of TPR as well as the wider pensions industry, given increasing consolidation of schemes and improved DB scheme funding levels. TPR plans to help drive consolidation when in members’ interest, so that only schemes that deliver “good outcomes” remain.

TPR has published the [results of a survey](#) that took place in 2023, involving over 2100 trustees, in relation to trustee diversity and inclusion. It reports that the results show, perhaps unsurprisingly, that “the ‘typical trustee’ is a white man who is over 45”. However, the results also highlighted that 78% of respondents said that a diverse trustee board was important, with around 85% for each saying diverse and inclusive pension boards are important for good decision-making, good governance and good member outcomes. In addition, most trustee boards were seen as diverse in terms of skills (82%), life experience (74%), professional background (73%), cognitive diversity (73%) and education (61%).

Louise Davey, TPR’s Interim Director of Regulatory Policy, Analysis and Advice, said “While the profile of the ‘typical’ trustee is unlikely to be a surprise, this survey has supplied important baseline data we can use to measure progress towards more diverse and inclusive scheme boards.”

The [General code of practice](#) came into force on 28 March 2024 as a result of [The Pensions Act 2004 \(General Code of Practice\) \(Appointed Day, Amendment and Revocations\) Order 2024](#).

The code replaces ten of TPR’s previous codes of practice and sets out their expectations of the conduct and practice scheme trustees should meet to comply with their duties in pensions legislation.

As reported in previous versions of PATHways, as well as consolidating some of the previous codes into a single document, it includes changes introduced by [The Occupational Pension Schemes \(Governance\) \(Amendment\) Regulations 2018](#) relating to requirements to operate an effective system of governance and undertake an own risk assessment.

ICO guidance

The Information Commissioner’s Office (ICO) has published new [Data Protection Fining Guidance](#), which sets out how it decides to issue penalties and calculate fines. This includes:

- Circumstances it will take into account when deciding whether to issue a penalty notice.
- Considerations used when determining the level of any fine, how it calculates the appropriate amount of a fine, as well as details of the maximum fine allowable.
- Approach where there is more than one infringement by a controller or processor.
- Information about the legal framework that gives the ICO the power to impose fines.

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