

# PATHways

## Pension Administration Technical Help

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



## Simpler annual benefit statements

The Government has published the [response](#) to its springtime consultation (as covered in [PATHways 124](#)) along with [final regulations](#) and [statutory guidance](#), to help trustees understand how to meet the new requirements. They cover simpler annual benefit statements for automatic enrolment schemes where all the benefits payable are money purchase. Noting that some of the consultation respondents felt April 2022 might prove challenging, the effective date of the regulations has been put back to 1 October 2022.

Broadly speaking and as expected, the prescribed information, and any other information which is included as part of that statement, must not exceed one double-sided sheet of A4-sized paper when printed. The regulations also require trustees to have regard to the statutory guidance concerning content and layout, which includes information on the presentation of the statement set out under various sections:

- format and structure, broken down into guidance about the five sections covered in the illustrative template
- design and language, which notes that typeface and font should be of a size that is “easily readable” and that the language be simple, accessible and jargon free
- ‘layering’, which covers the provision of other documents and information to complement the information in the statement, which must be separate to the statement itself
- online and digital formats
- alternative formats and accessibility, to cover Equality Act considerations

## Autumn Budget

The Chancellor of the Exchequer delivered the [Autumn Budget](#) on 27 October 2021. The relatively few pension related measures presented included the following:

- **Net pay anomaly** – along with publishing the [outcome](#) to HM Treasury’s July 2020 ‘call for evidence’ on pensions tax relief (see [PATHways 114](#)), the Chancellor confirmed that a system will be introduced to make top-up payments directly to low-earning individuals saving in pension schemes which operate the net pay arrangement. The payments will be made in respect of the contributions those individuals make in the 2024-2025 tax year onwards, in an attempt to fix the tax relief discrepancy between ‘relief at source’ and ‘net pay arrangement’ pension schemes
- **DC charge cap** – there will be a consultation to be launched by the end of the year on changes to the regulatory charge cap for defined contribution pension schemes used for auto-enrolment. This will consider options to amend the scope so that the charge cap can better accommodate well-designed performance fees to enable savers to more easily invest in wider asset classes, with a view to unlocking institutional investment to support “innovative businesses”

## HMRC updates

### Pension schemes newsletter 134

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 134](#), which provides information about:

- measures announced in the Autumn Budget, including the low-earner net pay anomaly; HMRC state that they expect the impact on pension schemes to be minimal, as HMRC will contact and pay eligible individuals directly
- migration to the Managing pension schemes service, including updates on the 'view a list of schemes' feature (initially a 'read only' list) and that once scheme administrators are able to select schemes from that list and provide information on them (currently expected to be available from spring 2022), this will migrate the scheme to the new service
- the introduction of multi-factor authentication for business tax account access purposes to improve security, including both the new and old online pension schemes services

### Countdown bulletin 56

HMRC has also published its [Countdown Bulletin 56](#) in relation to the ending of contracting out.

The latest edition is short and confirms that the closure of scheme cessation and scheme reconciliation eRooms, originally scheduled to start from 1 September (as noted in Countdown Bulletin 55 – see [PATHways 126](#)), has been put back to the end of November 2021 following feedback that some administrators would not be able to extract the information they need from the eRooms within the original timeframe. The Bulletin also reconfirms the details for raising GMP queries using the GMP checker at a life event and with the Customer Relationship Team for other queries, as covered in previous Countdown Bulletins.

## Pensions Dashboards Programme updates

### Progress update report

The Pensions Dashboards Programme (PDP) has published its fourth [progress update report](#) providing a summary of its achievements over the last six months along with an accompanying [blog post](#).

Recent achievements include the establishment of new working groups, including a technical working group to help refine the technical standards for data and dashboard providers to connect to the digital ecosystem, as well as the commencement of user experience testing to assist with the development of user-centred design standards. The report also notes that PDP's 'develop and test' phase started in September and will run through to summer 2022.

### Summary of responses to staging call for input

The PDP has also published [a summary](#) consolidating the key themes drawn from the responses to its 'call for input' on staging covered in [PATHways 124](#). The summary suggests the majority of respondents were in broad agreement with the PDP's staging proposals although some concerns were expressed around the timeline for delivery.

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