

PATHways



Pension Administration Technical Help

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



Pension schemes newsletter 130

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 130](#) which includes:

- Online services: HMRC has started an ongoing programme of deleting user ID and passwords for users who have not signed in to a service for three years. Users who have not accessed Pension Schemes Online, Managing Pension Schemes or other tax services for a while will need to login for their details to remain active.
- Confirmation that most of the temporary changes to HMRC processes introduced due to the COVID-19 pandemic will end on 30 June 2021 as expected.
- Information on HMRC's expectations for pension schemes, such as small self-administered schemes, holding commercial property during the COVID-19 pandemic. This includes details on rent and loan payment holidays and re-negotiating leases.

The Money and Pensions Service (MaPS)

The Money and Pensions Service (MaPS) has published its '[MaPS Standards](#)' setting out their core principles for the effective delivery, quality and performance requirements of the MaPS advice and guidance functions.

MaPS has also launched the [MoneyHelper website](#) for consumers. MoneyHelper aims to deliver a single access service for money and pensions guidance by consolidating the MaPS brands: Money Advice Service, The Pensions Advisory Service and Pension Wise. Pension Wise will continue to operate as a named service provided by MoneyHelper.

Finance Act 2021

The [Finance Act 2021](#) received Royal Assent on 10 June 2021 and freezes the Lifetime Allowance at its current level of £1,073,100 for the next five tax years until April 2026. It also legislates to ensure schemes which provide collective money purchase benefits - also referred to as collective defined contribution (CDC) schemes as introduced under the Pension Schemes Act 2021, will be able to operate as registered pension schemes for tax purposes once regulations bring these legislative changes into force.

Tax year simplification

The Office of Tax Simplification is intending to publish a report in the next few months, following a high-level exploration and analysis of the benefits, costs and wider implications of a change in the date of the end of the UK tax year for individuals. [The Review](#) will focus on the implications of moving the tax year end date from 5 April to 31 March – being the end of a calendar quarter and the nearest month end date to the end of the current tax year. Consideration will also be given to the implications of changing the end of the tax year to 31 December.

DWP update

Governance and reporting of climate change risk

From 1 October 2021 it is intended that [The Occupational Pension Schemes \(Climate Change Governance and Reporting\) Regulations 2021](#) will introduce new requirements relating to reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) [recommendations](#). These aim to improve both the quality of governance and the level of action by trustees in identifying, assessing and managing climate risk. In addition the Department for Work and Pensions (DWP) has issued draft statutory [guidance](#) for trustees of occupational schemes on the governance and reporting of climate change risk which will apply once all the related regulations come into force.

Improving outcomes for members of DC pension schemes

The [Government's response](#) has now been published to two important consultations on occupational Defined Contribution (DC) pension schemes' investments and overall governance. Over the past twelve months, the Government has set out a series of measures to prepare the DC occupational pensions market for the challenges and opportunities ahead – their response finalises important next steps including new regulations which will come into force in October 2021. These measures will challenge around 1,800 smaller DC schemes to demonstrate that they continue to offer 'value for members', and that the value they offer is comparable to that of larger DC schemes. The focus of the new regulations will be on schemes with assets of less than £100 million, however the principle of ensuring value to members will apply to all schemes.

Following the Government's response, DWP has launched their [latest consultation](#) to understand the barriers to further consolidation of the occupational trust-based DC pension scheme market in the UK. The call for evidence begins the next conversation on what best value looks like for the millions of pension savers in medium and large schemes that are not in scope of the new value for members' assessment.

Questions include:

- Do you agree that the Government is right to aim for fewer, larger schemes going forward? Are there any risks?
- How can Government incentivise schemes with assets of between £100m to £5bn to consolidate?
- How can the Government mitigate any risks associated with scheme consolidation?

The consultation closes on 29 July 2021.

TPR - Equality, diversity and inclusion strategy

The [Equality, Diversity and Inclusion Strategy](#), sets out how The Pensions Regulator (TPR) will promote diversity and inclusion throughout its own organisation and how it will support its regulated community to do the same.

The strategy sets out a roadmap to ensure equality, diversity and inclusion are central to TPR's work as a regulatory body. It sets new strategic aims to help TPR meets its ambitions, which are:

- to be a fair, diverse and inclusive employer
- to build a collective understanding of why pensions inequalities occur and work in partnership with others seeking to reduce them
- to promote high standards of diversity and inclusion among TPR's regulated community

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