

PATHways

Pension Administration Technical Help

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



HMRC newsletter

[Pension Schemes Newsletter 155](#) was published on 25 January 2024 and includes the following:

- An update in relation to the abolition of the lifetime allowance (LTA) from 6 April 2024. This covers the current legislative position and where changes to the Finance Bill have so far been identified. HMRC's plans for further communications, as well as providing answers to some frequently asked questions. It is clear that there remains a lot for HMRC to do in a very short timescale, to provide the clarity urgently needed in certain areas, to enable pension schemes to be able to fully operate under the new tax regime from April 2024. Perhaps with that in mind, HMRC is planning further LTA working groups in February in relation to transitional arrangements and reporting requirements, with contact details for an invite provided.
- Notification that the Managing pension schemes service will be taken offline from 5pm on Friday 16 February 2024 to 9am on Thursday 22 February 2024.
- Information in relation to submitting pension scheme returns of the tax year ending 5 April 2024. In [Managing pension schemes service newsletter — September 2023](#) HMRC informed that from April 2024 they were introducing a new function to submit a pension scheme return on the Managing pension schemes service. It has now been decided to defer the implementation of this new function. This means if schemes receive a notice to file a pension scheme return for the 2023 to 2024 tax year, they will need to continue to submit the return on the Pension Schemes Online service.

Legislation update

The draft [Guaranteed Minimum Pensions Increase Order 2024](#) has been laid before Parliament. This specifies that the rate by which post 5 April 1988 GMP's must be increased from 6 April 2024 is 3% (the maximum increase permitted under legislation, being the lower of the increase in the general level of prices in the period under review and 3%).

The draft [Social Security Benefits Up-rating Order 2024](#) sets out that, amongst other things, the full rate of the 'new' state pension will increase to £221.20 a week, from April 2024.

The draft [Occupational Pension Schemes \(Funding and Investment Strategy and Amendment\) Regulations 2024](#), has been laid before Parliament. Expected to come into force from April 2024, in relation to scheme valuations with effective dates from September 2024, the regulations set the framework for the future funding and investment strategy for DB schemes. Issued alongside the regulations was the DWP's [response](#) to the consultation on this topic.

TPR publications

TPR's new general code of practice

The Pensions Regulator (TPR) published the [General code of practice](#) on 10 January 2024, which will now sit before Parliament for the required amount of time, with an expected implementation date of 27 March 2024. The new code consolidates ten of the previous codes of practice into a single document, as well as incorporating changes introduced by the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018 relating to effective systems of governance and the requirement to undertake an own risk assessment. It also includes diversity equality and inclusion (DE&I) considerations and in so doing wraps into the Code the DE&I guidance that TPR published in March 2023.

Some of the points particularly worthy of note from the final Code include the following:

- Those schemes with 100 or more scheme members are required to carry out and document an Own Risk Assessment (ORA) as part of the scheme's Effective System of Governance (ESOG).
- The Code focusses on the ESOG and ORA outputs working interactively. If significant changes or risks are identified, then these need to be captured and recorded in both documents. Whilst the ESOG is the area on which TPR wishes trustees to focus, failure to complete an ORA may be seen by TPR as an "indicator of poor governance".
- Clarification has been provided in relation to remuneration policies: these should only cover costs for which the governing body is responsible.

Updates to the DB and hybrid scheme return

TPR has provided details of the planned new questions on the [DB and hybrid \(mixed benefit\) scheme return](#).

This includes asking for:

- information about fiduciary managers and investment consultancy providers
- details about liquidity and leverage, and the controls in place
- pensions dashboards primary contact information
- new questions in relation to any AVC providers

TPR expect to send scheme return notices in early February 2024, which must be completed and submitted by 31 March 2024.

PDP blog

The Pensions Dashboards Programme (PDP) has published [a blog](#) informing of how they are engaging with the pensions industry. The input provided by industry participants is intended to help shape the connection processes and guidance.

PDP also plan to launch a user testing and planning group early this year to help plan and co-ordinate user testing activity. Updates and insights from user testing activity will be regularly shared once it has got underway.

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