BARNETT WADDINGHAM
beyond the expected

PATHways

Pension Administration Technical Help

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

Code of practice on combating pension scams

The Pension Scams Industry Group (PSIG) has published its latest version of their Code of Practice on Combating Pension Scams.

The revised code has been restructured to help readers more easily find the information required and updated to reflect developments since the last version. The code now includes a Practitioner Guide which covers the due diligence steps it suggests should be undertaken when assessing the potential risk of a transfer, a Resource Pack including examples of telephone scripts and letters to be used to aid in carrying out due diligence and a Technical Guide which provides information on the current legislative and regulatory framework.

The latest version is effective from 1 April 2021. Some of the updates from previous version include:

- reference to The Pensions Regulator's (TPR) pledge initiative to combat pension scams
- recommendation to consider calling certain scheme members during the due diligence process for high risk transfers
- further case study examples, including 'international SIPP' transfers
- guidance on the management information schemes may decide to maintain on transfers, including where transfers are refused, cancelled by a member when concerns have been raised or paid at the insistence of the member

HMRC: Pension schemes newsletter 129

HMRC has published Pension schemes newsletter 129 which includes:

- confirmation that the Annual Allowance calculator has been updated to include the 2021/2022 tax year
- a reminder that to register on the Managing Pension Scheme service you will be required to enrol under your existing scheme administrator ID
- notification that the process of deleting Government Gateway credentials that have been unused for three years has now begun
- confirmation that The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021 comes into force on 6 April 2022. These regulations will require certain non-taxable death payments to be reported via RTI

PPF updates

Business plan for the 2021/2022 tax year

The Pension Protection Fund (PPF) has published its latest business plan. It highlights how the fund will continue to carry out its role in the current climate and the key activities for the current tax year. Some of the key areas it has highlighted are enhancing their security solutions and achieving 70% of member service transactions being carried out online.

Fraud Compensation Fund levy

The PPF has raised the Fraud Compensation Fund levy for the 2021/2022 tax year to the maximum amount allowed under current legislation of 75p per member and 30p per member for master trusts. It has been decided that the levy needs to be increased following a court ruling in November 2020 that occupational pension schemes set up as part of a scam were eligible to claim on the Fraud Compensation Fund. More information can be found in the PPF announcement.

TPR updates

New climate change strategy

TPR has published a new climate change strategy setting out how trustees can deal with the challenges posed by climate change. The new strategy is being published prior to regulations which will require trustees of larger schemes to record and make mandatory disclosures in relation to climate risks. TPR plans to publish guidance later this year on the proposed regulations, due to come into force in October 2021 and will look at areas such as how to account for the impact of climate change in risk management. It also plans to update its trustee toolkit to support the development of trustee knowledge and understanding on climate change.

The strategy outlines TPR's expectations that scheme trustees will comply with existing requirements to publish their statement of investment principles, including their policies on stewardship and financially material environmental considerations, as well as their implementation statement. TPR has stated this represents compliance with the basics on climate change and they will take enforcement action to ensure schemes adhere to this.

TPR blog

In its latest blog TPR provided an update on how it sees the impact of the two new criminal offence powers granted to it under the Pension Schemes Act 2021. These are avoidance of employer debt to a Defined Benefit (DB) scheme or deliberate conduct which causes a material reduction in the chance of members getting their DB benefits in full.

TPR was keen to stress that although it will not hesitate to use the new powers, where necessary, it will still take a proportionate approach and will not seek to overuse these powers and primarily aims to work with the industry.