



PATHways

PENSION ADMINISTRATION TECHNICAL HELP

HIGHLIGHTING PENSIONS NEWS AND LEGISLATION THAT HAS PARTICULAR RELEVANCE TO WHAT WE DO IN PENSION ADMINISTRATION

HMRC Countdown Bulletin Issue 12

After PATHways 59 was issued HMRC's National Insurance Services to Pensions Industry has published issue 12 of its [Countdown Bulletin](#), which includes:

The Guaranteed Minimum Pension (GMP) and Scheme Reconciliation Services (SRS)

The GMP Service - planned to go live in April 2016, cannot and should not be used to reconcile scheme memberships. Scheme administrators are recommended to first request and reconcile their scheme data using the SRS. The GMP Service will then be better able to provide accurate GMP calculations, contracted-out contributions and earnings information on a self-service basis.

The bulletin emphasises there are only three months left to register to use the [Scheme Reconciliation Service \(SRS\)](#) - the deadline being 5 April 2016.

The Contracted-out Pension Equivalent (COPE)

State Pension Statements (SPS) issued on request from November 2015 will provide an estimate of the level of state pension that will be available at State Pension Age and include the Contracted-out Pension Equivalent (COPE). The SPS should be accompanied by a COPE factsheet. DWP are introducing the estimated COPE amount to help people realise that they opted out of some of their State Pension when they were contracted-out before 6 April 2016. This should help them understand why they may not be entitled to the full amount of new State Pension if they have been contracted-out.

The COPE amount shown is related to the additional State Pension the individual may have got if they hadn't been contracted-out and which they may receive from their workplace or personal pension(s). However, it is made clear that the individual may not receive the full COPE amount (the COPE figure may not equal the level of GMP secured or money purchase equivalent). If someone has been a member of more than one scheme that was contracted-out, the COPE amount represents all those schemes.

The DWP has produced a number of [Fact Sheets](#) helping to explain the current and new State Pension Schemes. However, the COPE factsheet has been temporarily withdrawn to allow further changes to be made to it.

State Pension Online

Schemes are being asked to publicise [State Pension Online](#): a new service available for individuals that puts them in control when claiming their State Pension. This service is open to everyone in UK, although those in Northern Ireland gain access via [NI Direct](#).



Late notification of Contribution Equivalent Premiums (CEPs)

Currently, the legislation requires that a Contribution Equivalent Premium (CEP) is paid on or before six months after the date of termination of contracted-out employment. HMRC makes it clear that where this limit is exceeded, schemes should not do anything for the time being. DWP and HMRC are aware that CEP non-payments are being discovered as part of scheme reconciliation exercises and are considering how to deal with them; an announcement is expected in due course.

Early exit charges to be capped

The Chancellor, George Osborne has announced an end to prohibitive charges faced by people looking to access their pension pot. He has outlined proposals to place a duty on the Financial Conduct Authority (FCA) to cap excessive early exit charges, therefore helping people take full advantage of the new flexibilities. The new duty, to be introduced through legislation, will form part of the response to the government's Pension Transfers and Exit Charges consultation expected shortly. The FCA will be responsible for setting the level of the cap and the government will fully consult on this in due course.

PPF updates Statement of Investment Principles and guidance note

Following the publication of The Pension Protection Fund's (PPF) revised [Statement of Investment Principles](#), (which outlines the principles and policies governing determinations about investments made by or on behalf of the PPF Board in the management of the Fund's assets), the PPF has also updated its [guidance](#) on Insolvency Practitioner Remuneration. Please note the PPF have not updated the date on the link to the guidance.

Copycat Pension Wise website

The Pensions Advisory Service (TPAS) reported a 'copycat' Pension Wise website to the Financial Conduct Authority (FCA).

The website was called Pensionwiser.com which promised it would help people in a qualifying recognised overseas pension schemes with a 'free retirement planning consultation', a 'free report' and 'free ongoing support.'

Its privacy policy page was copied directly from the official Pension Wise service website, which promised 'a free and impartial government service' to help understand pension choices. It is illegal to imitate Pension Wise, but a number of copycat websites have appeared since the service was unveiled in early 2015. The Pensionwiser.com website has now been closed down.

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