



HMRC Pension schemes newsletter 111

HM Revenue & Customs has published [Pension schemes newsletter 111](#) which covers a range of topics including:

- A link to The Pensions Regulator's (TPR) [updated list](#) of authorised master trust schemes, and details of the supervisory activities which TPR will be undertaking
- Updates to the Managing Pension Schemes online service to allow changes to be made to the scheme administrator, director or trustee details
- The progress of HMRC's GMP equalisation working group – this group is exploring approaches to resolve the unintended tax consequences of GMP equalisation, if possible within the existing legislation. It is unlikely that the group will produce any guidance before the autumn

FCA and TPR relaunch ScamSmart campaign

The Financial Conduct Authority (FCA) and TPR have relaunched their awareness campaign around pension scams which will run from 1 July until October 2019. The campaign for last year was previously covered in [PATHways 91](#). This year's campaign will again feature advertising on radio, television and social media. TPR's website contains a [toolkit](#) with resources for employers and trustees to promote the campaign. It is hoped that the campaign will further raise awareness of the hallmarks of a scam and how to report them.

Combating Pension Scams: Code of Good Practice updated

The Pension Scams Industry Group (PSIG) has published [Version 2.1](#) of its Code of Good Practice. The voluntary Code is intended to help trustees and providers to form their own due diligence processes for transfer requests. By providing information on the evolving nature of the threat of scams and setting an industry standard approach, PSIG aims to help protect members' benefits from harm.

The new version of the Code includes information on the cold calling ban, relevant recent Pensions Ombudsman determinations, and the role of claims management firms. In the foreword Guy Opperman, the [Parliamentary Under Secretary of State for Pensions and Financial Inclusion](#), highlights the work done by the Government to prevent pension scams, and the role of the new Money and Pensions Service in providing guidance.

Investment and disclosure legislation amended

The [Occupational Pension Schemes \(Investment and Disclosure\) \(Amendment\) Regulations 2019](#) have been published as a result of the European Union Directive on shareholders' rights, which had to be transposed into UK law by 10 June 2019.

These Regulations build on existing changes to the statement of investment principles (SIP) and annual reporting requirements already due to come into force (covered in [PATHways 92](#)). The changes, which apply to most occupational schemes with 100 or more members, require:

- all schemes to include additional information in their SIP by 1 October 2020 including details of arrangements with asset managers
- all schemes to include, in their annual report for scheme years ending on or after 1 October 2020, a statement on the voting behaviour by or on behalf of the scheme trustees
- defined benefit (DB) schemes to include, in their annual report for scheme years ending on or after 1 October 2020, a statement on how particular aspects of their SIP have been implemented
- DB schemes to publish their SIP (by 1 October 2020) and the above-mentioned statement (by 1 October 2021) on a free, publicly available website

Defined contribution schemes are already subject to the requirement to produce an annual report on how their SIP has been followed and make their SIP publicly available.

The above changes are now incorporated in TPR's [guidance for investment governance for DC schemes](#).

FCA announces further action on DB transfers

The FCA has [published](#) results from data it has received from firms advising on pension transfers, which suggests that a larger volume of members are being advised to transfer out of DB schemes than would be expected by the FCA.

This includes a headline figure that 1,454 firms had recommended 75% or more of their clients transfer. This reduced to 55% for those firms who had also reported the number of clients not proceeding beyond an initial triage stage. In total, 69% of members seeking advice had been recommended to transfer. The transfer advice represented £82.8 billion worth of pension values.

This comes in spite of the FCA previously warning that it had concerns about these transfers, and the expected starting position that a transfer is unlikely to be suitable for most clients. As a result, the FCA has begun visiting the most active firms, and will write to any firms where the potential for harm has been identified, once again setting out their expectations and the actions firms should take.

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