



New Pensions Minister appointed

Guy Opperman has been removed as the Under Secretary for Work and Pensions. He had been the longest serving Pensions Minister since the role was created, having been appointed in June 2017. Although he previously resigned in July 2022, he was reinstated the following day. The role [has now been filled](#) by Alex Burghart, the MP for Brentwood and Ongar since 2017 who has previously served as a minister in the Department for Education.

The Growth Plan 2022

The new Chancellor of the Exchequer, Kwasi Kwarteng, delivered [The Growth Plan 2022](#) statement on 23 September. This was widely referred to as a 'mini-Budget' due to the size of many of the fiscal commitments it contained. The following items were relevant to pensions:

- A commitment to publish draft regulations to reform the pensions regulatory charge cap for certain occupational defined contribution schemes. This aims to give impacted schemes the flexibility to invest in 'innovative business and productive assets'. A Department for Work and Pensions (DWP) consultation on proposals with the same aims closed earlier this year – see [PATHways 131](#) and the Government's response [here](#).
- The bringing forward of the planned 1% cut to the basic rate of income tax by a year to April 2023. As this will result in a corresponding reduction in tax relief, there will be a one-year transitional period for Relief at Source schemes to continue claiming tax relief at 20%. This change will not apply in Scotland unless the Scottish government also chooses to adopt it.
- The Additional Rate (45%) of income tax was due to be abolished, reducing the top rate of income tax to 40% from April 2023. This would have meant high earners had a time-limited window to benefit from 45% tax relief on their contributions. However, this measure has subsequently [been abandoned](#).

Pension schemes newsletter 143

HM Revenue & Customs has published [Pension schemes newsletter 143](#), which includes:

- Confirmation of the transitional period for Relief at Source claims in the 2023/24 tax year, following the announced reduction in basic rate of income tax.
- A reminder to use the correct charge reference when making payments of tax charges. The scheme's Pension Scheme Tax Reference number can be used if there is not a specific charge reference, although initially this can be allocated to any outstanding charges.
- An update that the 2023/24 event report will now be released on the Managing pension schemes service in summer rather than spring 2023.

TPR updates

The Pensions Regulator (TPR) has published the following updates:

Warning on auto enrolment duties

TPR has used a [press release](#) to warn employers not to skip important steps in complying with their auto enrolment duties. After a series of in-depth compliance inspections of large employers, TPR found that administrative errors were putting staff at risk of not receiving the correct contributions. These errors included using incorrect earnings thresholds, and miscalculations of maternity pay. The consequences for employers include the need to make backdated payments, and possible financial penalty. The press release coincides with the publication of its most recent [compliance and enforcement bulletin](#).

Climate reporting rules guidance update

TPR has [confirmed](#) that it has updated its [guidance](#) on climate change reporting. This is in light of new requirements for schemes with relevant assets of £1 billion or more, which came into force on 1 October 2022. The original version of this guidance was previously covered in [PATHways 131](#). The updated guidance includes an example of how a scheme might approach meeting the requirements, including calculating a metric on the scheme's alignment with the Paris Agreement goals.

The DWP has indicated that it will consider in 2023 whether to extend the requirement to schemes with less than £1 billion in assets.

Merger and acquisitions blog

A [blog post](#) informs readers that TPR closely monitors mergers and acquisitions of companies which sponsor DB schemes, in order to protect members from risks to their savings. Employers are expected to treat the pension scheme as a primary creditor and engage with the trustees immediately about proposed transactions. TPR also sets out that trustees should be provided with direct access to bidders, and bidders should not change their arrangements for the scheme after the transaction is complete.

High Court dismisses RPI review

The High Court has dismissed a [judicial review](#) led by a number of large pension schemes against the UK Statistics Authority (UKSA) and the Chancellor of the Exchequer. Broadly speaking, the review challenged the decision made by the UKSA to change the methods used to compile the Retail Prices Index (RPI) to align it with the Consumer Prices Index including housing costs (CPIH). This change is expected to take effect from 2030. The RPI will continue to be published due to its continued use in several contexts including in the funding and benefits paid from DB pension schemes. The schemes involved [have decided](#) not to appeal the judgement, so the change to the RPI methodology will now go ahead.

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