



PATHways

PENSION ADMINISTRATION TECHNICAL HELP

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

HMRC: Pension schemes newsletter 83

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter \(PSN\) 83](#), which provides more detail on some of the pensions measures announced in the Autumn Statement 2016 - as covered in the [November 2016 edition of PATHways](#) - along with updates and information on other topics. Points of note include:

Overseas pensions - changes are to be made to the conditions that an overseas pension scheme must meet for members to get UK tax relief for contributions or transfers, to more closely align the tax treatment of overseas pensions with that for UK pensions. The government is consulting on draft [regulations](#) (published with a raft of other materials) which cover changes to the conditions to be a 'qualifying overseas pension scheme' (QOPS) and a 'qualifying recognised overseas pension scheme' (QROPS).

Pension scams - having announced plans to consult on options to tackle pension scams in the Autumn Statement, the government has now launched its consultation - see the separate topic below.

Lifetime allowance - HMRC has clarified the circumstances in which lifetime allowance (LTA) protection details can be amended online and summarised the information a member who loses protection must provide to HMRC in writing.

Serious ill-health lump sum payments - real time information (RTI) reporting - the RTI amendments for serious ill-health lump sum payments made to individuals over age 75 (previously trailed as due to be available from December in Pension schemes newsletter 81, see [PATHways 68](#)) will not now be available until early 2017.

Tackling pension scams

HM Treasury (HMT) and the Department for Work and Pensions (DWP) have published a joint [consultation](#) that provides more information on the package of measures trailed in the Autumn Statement. These measures are aimed at tackling three different areas of pensions scams:

- a cold calling ban in relation to pensions - a blanket ban on unsolicited calls, to be achieved through primary legislation, with the Information Commissioner's Office to have the ability to impose sanctions on UK-based organisations that breach the ban including the power to impose a fine of up to £500,000.
- giving greater powers to block suspicious pension transfers to occupational schemes (although QROPS would not be covered) based on clear objective criteria being met or alternatively perhaps require 'insistent' members to sign a declaration that they have understood the scam warnings given to them and the nature of the risks that they may be exposed to (which we expect many schemes to already incorporate into their member discharge forms at present).
- making it harder for scammers to use certain pension vehicles - changing the law to require that all new occupational pension scheme registrations with HMRC can be made through actively trading companies only.



HMRC: Countdown bulletin 21

HMRC's National Insurance Services to Pensions Industry has published [Countdown bulletin 21](#) which, further to [PATHways 69](#), provides more detail about the closure scan for active members that will automatically close open periods of contracted-out employment held on HMRC's records with reference to the SCON provided by employers on their Full Payment Submissions (FPS).

Schemes will need to complete and submit a [closure scan request form](#) before HMRC will share the closure scan data, with the output to be placed in the scheme's SRS e-room between January and March 2017.

TPR determined to drive up standards of trusteeship in 2017

The Pensions Regulator (TPR) has published a [response](#) to its discussion paper on 21st Century Trusteeship and Governance having gathered the views of lay and professional trustees and other stakeholders.

The response underlines TPR's determination to drive up standards of governance and trusteeship for DB and DC schemes and - after over ten years of TPR's 'educate and enable' strategy - appears to herald a sea-change to focus on 'targeted education and enforcement'. In 2017 TPR plans to make its expectations clearer; in particular, the higher standards it expects of professional trustees. TPR also plans to use the data it collects to more effectively target its communication approach.

Single public financial guidance body

HMT and the DWP have published a joint [consultation](#) to seek views on new proposals to create a single public financial guidance body providing debt advice, money guidance and pensions information and guidance, to replace [the Money Advice Service](#) (MAS), [the Pensions Advisory Service](#) (TPAS) and [Pension Wise](#).

This latest consultation also covers responses to the proposals for a two-body guidance delivery model that the government [consulted on](#) earlier in the year as discussed in [PATHways 62](#). Taking on board industry and consumer group views about whether the two bodies would work together effectively, the government now plans to merge the current guidance services into a single body. The launch of a single guidance body is not now likely to take effect until autumn 2018 at the earliest.

Scottish Government's Draft 2017/18 Budget

From 6 April 2017, [the Scottish Parliament](#) will have [the freedom to set](#) all income tax rates and band thresholds above the personal allowance for Scottish taxpayers. While announcing no change in the rates, finance secretary Derek Mackay [in unveiling his draft 2017/18 budget](#) on 15 December [proposed](#) raising the higher rate threshold for Scottish taxpayers in 2017/18 by less than the rise announced by the UK government.

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