

# 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 103

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 103](#). Topics covered include:

- a reminder on how to report payroll information correctly where pension benefits subject to PAYE are paid to members on a quarterly frequency
- further reminders about timescales for any existing Master Trust on 1 October 2018 to apply for authorisation from The Pensions Regulator (TPR) to continue to operate and the requirements where an existing scheme changes its status after this date to become a Master Trust
- an update on P6 tax coding notices issued in error for death benefit payments that are entirely non-taxable, which is now due to be resolved in October
- reminder of the 6 October 2018 deadline for pension schemes to issue annual allowance pension savings statements to their members where automatically required for the 2017/18 tax year, with a link to the HMRC annual allowance [calculator](#)

HMRC also published [the 'Relief at source' pension schemes newsletter](#) during September, providing information additional to that in recent pension schemes newsletters on the annual return of information process and notification of residency status report for 2019/20 for schemes that operate relief at source.

## TPR launches new approach to regulation

The Pensions Regulator (TPR) has published an [update](#) on the new regulatory model it is gradually establishing (which will continue over the next 12-18 months) providing more information about the key areas of its new operating model, what to expect and what will change in terms of how TPR will engage with schemes and employers.

TPR's [Making workplace pensions work](#) report sets out the new way of operating and emerges from phase 2 of the 'TPR Future programme' transformation review.

Central to the new approach is the evolution of the supervisory regime to monitor schemes more closely taking a systematic approach, within a flexible model that can enable higher and lower intensity (and swift) interventions depending on the risks identified. Engagement will become more targeted and initially a small number of higher-risk schemes will be subject to dedicated one-to-one supervision. The 'How we work' section of the 'Making workplace pensions work' publication provides a useful flowchart depicting how the new flexible model will work.

## TPO revised guidance on redress for non-financial injustice

The Pensions Ombudsman (TPO) has published [revised guidance](#) on redress for non-financial injustice (or 'distress and inconvenience') caused by maladministration.

The revised guidance aims to enhance transparency, create consistency and manage expectations for all parties to a complaint, setting out five categories of award with examples of relevant factors TPO might take into account in directing a respondent to make an award where no sufficient offer of redress has been made before or during the investigation.

## Signposting for pension dispute resolution made clearer

The Pensions Advisory Service's (TPAS) dispute resolution function moving to TPO from April 2018 created a conflict with the current legislative requirement for a scheme to signpost TPAS as part of its internal dispute resolution procedure.

The Department for Work and Pensions (DWP) and TPR issued a [joint notice](#) on 13 September 2018 to acknowledge this but to confirm that attending to the legislative changes is not a Parliamentary priority (and also may not be as straightforward as it could be, while TPAS as a body is still in existence until the establishment of the new Single Financial Guidance Body). In a pragmatic move it is stated that "TPR is satisfied that there would be no purpose served in considering whether to apply penalties in respect of non-compliance with existing legislation where signposting has been updated to clearly reflect the current position, as outlined above, that disputes and complaints should be referred to TPO, and general requests for information or guidance to TPAS." The notice provides welcome clarification for the industry that no action will be taken by DWP and TPR where communications with members reflect their joint statement on signposting.

## DWP publishes new legislation

The DWP published official responses to consultations on what were originally two sets of draft regulations in relation to [clarifying investment disclosure requirements for occupational pension schemes](#) (covered in [PATHways 89](#)) and [minor PPF compensation changes](#) and has chosen to combine these disparate topics into one hybrid set of laid regulations.

[The Pension Protection Fund \(Pensionable Service\) and Occupational Pension Schemes \(Investment and Disclosure\) \(Amendment and Modification\) Regulations 2018](#) deal with:

- amending the requirements on occupational pension scheme trustees concerning the required content of the statement of investment principles (SIP) and requiring the publication of other relevant information, including an explanation of how the trustees account for financially material considerations such as those related to environmental, social and governance (ESG) factors and a statement containing information on how they acted on the principles set out in the SIP
- changes to PPF compensation regulations to ensure that the PPF has the legal basis to pay survivor benefits and to index and revalue payments in relation to fixed pension rights from a transfer and include those rights as appropriate for the purposes of applying the compensation cap in the manner envisaged by policy

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