

LEGISLATION

PENSION NEWS

# 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 84

HM Revenue & Customs (HMRC) has published [Pension schemes newsletter 84](#) which provides updates and additional information on a range of topics including:

- pension flexibility payment statistics from 1 October 2016 to 31 December 2016
- changes to the regulations on the information scheme administrators are required to give to the trustee following the payment of a taxable lump sum death benefit and the passing on of this information by trustees to a beneficiary
- a reminder that QROPS online will no longer be available from April 2017
- extended [drawdown pension tables](#) which apply from 1 July 2017 and instructions on how to use them as well as the tables in use prior to this date
- a request for outstanding 2015/16 tax year returns for schemes operating Relief at Source, confirmation that returns which have been submitted but have failed are still considered to be outstanding, as well as confirmation of the filing deadline for the 2016/2017 annual return of 5 July 2017
- a reminder that Individual Protection 2014 applications close at midnight on 5 April 2017 and confirmation that the scheme administrator look up service is still being developed.

## Pensions Advice Allowance

The new [Pensions Advice Allowance](#) will be introduced from April 2017 to pay towards the cost of regulated financial advice on pension and retirement matters. The £500 maximum allowance can be accessed at any age and used up to three times but only once in any tax year. Where schemes allow this option, it will be available to members of defined contribution schemes and hybrid pension schemes with a defined contribution element.

## HMRC: Countdown bulletin 23

HMRC's National Insurance Services to Pensions Industry has published [Countdown bulletin 23](#) which includes:

- updates on Scheme reconciliation for active members and the Scheme Reconciliation Service (SRS)
- a revised reference table for 'Not In Scheme' (NIS) queries
- a reminder for schemes who ceased contracting-out before April 2016 to surrender their contracting-out certificate



## DWP Green Paper on defined benefit pension schemes

The Department for Work and Pensions has produced a [Green Paper](#) seeking views on a variety of issues and options relating to private sector defined benefit (DB) pensions. Some commentators have stated there is a 'fundamental problem' with DB schemes and while the government does not agree, the paper intends to gather information to assess whether any improvements may need to be made to restore confidence in the pensions system. It is made clear that no firm proposals are being made at this stage.

It focuses on four main areas:

- funding and investment – e.g. whether the regulatory environment causes scheme trustees to invest too cautiously and the impact this may have on scheme funding
- employer contributions and affordability – e.g. how to identify 'stressed' schemes and whether arrangements should be made to help them
- member protection – e.g. whether the powers of the Pension Regulator (TPR) and role of the trustees should be more focussed on better protection of member interests
- consolidation of schemes – e.g. whether this can provide a better solution for certain small schemes

The consultation closes on 14 May 2017.

## Consultation on automatic enrolment

DWP has launched a [consultation](#) seeking views on changes for some new employers due to become subject to automatic enrolment duties in 2017. The aim for these employers is to:

- provide certainty of when the automatic enrolment duties will apply
- extend the option to defer automatic enrolment for new workers by up to three months.

Pension industry professionals are invited to respond to the consultation by 3 March 2017.

## Barnett Waddingham named Administration Provider of the Year

Barnett Waddingham has been named Administration Provider of the Year at the 2017 Pensions Age Awards. We are delighted that our dedication to providing exceptional administration services to UK pension schemes and their members has been endorsed in this way.

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