

LEGISLATION

PENSION NEWS

PATHways

PENSION ADMINISTRATION TECHNICAL HELP

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

Occupational scheme returns – changes for 2015

This year's scheme return will include some new reporting requirements for pure defined contribution (DC) schemes and schemes with DC sections. Schemes where the only DC benefits are AVCs are not affected.

The new reporting requirements include:

- questions regarding compliance with the new DC charge cap;
- confirmation of the chair of trustees (in connection with the new requirement for a chair's statement); and
- questions regarding automatic enrolment (now extended to schemes with less than twelve members).

A new version of the scheme return will be rolled out by The Pensions Regulator (TPR) during the summer / autumn and TPR will be notifying scheme trustees and managers of the forthcoming changes by email during June. The email will explain these changes and where to find more information and guidance on completing the return on TPR's website.

TPR has issued its ['what's new this year'](#) guide which includes a checklist of new information trustees need to know before they complete the DC scheme return for 2015.

DB to DC transfers – advice is now a regulatory activity

The Financial Conduct Authority issued [new rules governing the provision of advice on pension transfers](#) on 8 June 2015 which state that advising on the transfer of savings from defined benefit (DB) pension schemes to DC schemes is now a regulated activity in the UK.

The new rules came into immediate effect and say that pension transfer specialists would need to be engaged in advising DB pension scheme members who intend to transfer their safeguarded pension benefits into DC schemes. Safeguarded pension benefits are benefits other than money purchase or cash balance benefits

Where specialist advice is required, financial advisory firms need to ensure pension transfer specialists either advise the savers on a DB to DC pension transfer themselves or that the advice given by a non-specialist in the firm is checked. According to the new rules, advice from a pension transfer specialist would not need to be provided where the only safeguarded benefit is a guaranteed annuity rate. No advice is required where the value of safeguarded benefits that would be transferred is no more than £30,000.



Pension Schemes Newsletter 69

HM Revenue & Customs (HMRC) has released the [latest edition](#) of its Pension Schemes Newsletter.

Of particular interest is the commitment HMRC has given to processing forms P50Z, P53Z and P55 within 30 days of receipt. These are the forms that must be completed to claim tax back on pension flexibility payments during the tax year (see Pension Schemes Newsletter [68](#)).

On a separate matter, from 17 June 2015, the list of recognised overseas pension schemes (ROPS) notifications (previously known as the QROPS list) was temporarily suspended to allow the list to be reformatted. HMRC has confirmed that the ROPS notifications list will be available again from 1 July 2015 and that the reformatted list will look significantly different. Barnett Waddingham remains concerned that HMRC's new stance on overseas transfers is likely to hamper the ability of scheme trustees to verify that such a transfer is, and will remain, a 'recognised transfer' as required by the Finance Act 2004.

Pensions freedoms and divorce

A [loophole](#) in the pensions freedoms introduced in April 2015 may mean that earmarking orders put in place after divorce are overridden by the new freedoms. This could result in individuals losing the pension savings expected from an earmarking order if their ex-spouse chooses to withdraw all their funds as cash.

New Pensions Ombudsman

The Department for Work and Pensions previously [announced](#) that Anthony Arter has been appointed Pensions Ombudsman and Pension Protection Fund Ombudsman. Mr Arter took up his post on 25 May 2015 for a four-year term, replacing Tony King. [Karen Johnston](#) is the new Deputy Pensions Ombudsman.

The new Ombudsman has already been busy, publishing a [factsheet](#) about redress for non-financial injustice providing guidance on the Pensions Ombudsman Service's intended approach to such awards.

New PMI President

The Pensions Management Institute (PMI) announced on 4 June 2015 that Kevin LeGrand has been elected as its new President. Kevin will take over from the current President Paul Couchman at the PMI's Annual General Meeting on 9 July 2015.

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