



PATHways

PENSION ADMINISTRATION TECHNICAL HELP

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

General Election

The snap General Election on 8 June 2017 resulted in a hung parliament which left pension policy in doubt. The Conservative Party has since agreed to abandon plans to drop the triple lock on State Pensions from 2020 in order to secure a deal with the Democratic Union Party (DUP).

Queen's Speech

The Queen made her customary [speech](#) to open the new Parliament on 21 June 2017. The items on the legislative agenda for the next Parliamentary session – two years instead of the usual one, due to Brexit – include the following:

- [Financial Guidance and Claims Bill](#) – which will allow the Department for Work and Pensions (DWP) to establish the new Single Financial Guidance Body (replacing the Money Advice Service, Pensions Advisory Service and Pension Wise) to coordinate the provision of debt advice, money guidance and pension guidance
- Finance Bills – starting with the Summer Finance Bill which could possibly include the reduction to the Money Purchase Annual Allowance and the increase to the income tax exemption for employer-provided pensions advice, dropped from the previous Finance Bill before the General Election
- Data Protection Bill – which, when enacted, will replace the Data Protection Act 1998 and implement the General Data Protection Regulation due to go live in May 2018

New DWP ministerial team

Some new [appointments](#) have been made to the DWP. The Rt Hon David Gauke MP was appointed as the new Secretary of State for Work and Pensions and Guy Opperman MP was appointed as the Parliamentary Under Secretary of State for Pensions and Financial Inclusion.

Recognised overseas pensions schemes notification list suspended

HM Revenue and Customs (HMRC) temporarily suspended the ROPS notification list on 2 June 2017 and it was not republished until 7 June 2017, two days later than expected. While some schemes were removed from the list, others were added, so the overall number of schemes on the list remain about the same.



PPF strategy published

The Pension Protection Fund (PPF)'s [Strategic Plan for 2017-2020](#) shows they expect around 80 schemes a year to enter assessment in each of the next three years. The PPF intends to bring Financial Assistance Scheme member services in-house.

TPR auto enrolment spot checks

The Pensions Regulator (TPR) has been carrying out auto enrolment spot checks in [Greater Manchester](#), [Birmingham](#) and [Sheffield](#) as part of their commitment to ensure that employers are complying with their duties. TPR had previously carried out inspections in London. Other cities and towns across the UK are expected to receive visits from inspectors at short notice.

FCA consultation on transfer advice

The Financial Conduct Authority (FCA) is [consulting](#) on advice relating to pension transfers of safeguarded benefits. The new proposals outline what the FCA expects from advisers and pension transfer specialists to ensure that members consider all the relevant factors when transferring their benefits.

FCA are seeking views on changes including:

- introduction of rules to require all advice on pension transfers to result in a personal recommendation taking into account the member's wider circumstances and providing a recommended course of action
- replacing the current transfer value analysis requirement with the need to undertake appropriate analysis of the member's options, including a comparison of the value of the safeguarded benefits being given up using the closest available annuity
- introducing guidance in the handbook on the role of a pension transfer specialist and make clear that checking advice involves assessing the reasonableness of the personal recommendation

The proposals aim to reduce the number of members becoming victims of pension scams and to provide greater certainty and confidence amongst advisers.

The consultation closes on 21 September 2017. A Policy Statement with the results of the consultation is likely to be published in early 2018.

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