

PATHways



Pension Administration Technical Help

Highlighting pensions news and legislation that has particular relevance to what we do in pension administration



Autumn Budget 2024

On 30 October Rachel Reeves, the Chancellor of the Exchequer, delivered her first Budget. From a pensions perspective the announcements primarily related to the treatment of pension death benefits for Inheritance Tax (IHT) purposes and the removal of one of the exemptions to the overseas transfer charge (OTC) for qualifying recognised overseas pension scheme (QROPS) transfers.

Inheritance Tax

Broadly speaking, the intention is that from 6 April 2027 most unused pension funds and death benefits will be included in the value of a person's estate for IHT purposes. As part of this change the Government has proposed that pension schemes will become liable for reporting and paying any IHT due before the remaining funds are paid from the scheme.

A [technical consultation](#) has been published, which asks for views on a number of questions on the Government's proposals of how the process for schemes to report and pay any IHT due to HMRC could work. Consideration of any new powers or processes required to ensure that relevant information is exchanged between HMRC, pension schemes, personal representatives and beneficiaries, has also been requested.

The consultation closes on 22 January 2025. The Government currently intends to publish a response to this consultation and carry out a further consultation on the draft legislation in 2025.

QROPS transfers

Some minor changes to the tax regime for overseas pension schemes were also [announced](#). This includes the removal of the original exemption to the 25% overseas transfer charge (provided the transfer is below the overseas transfer allowance) where the QROPS was established in a country within the European Economic Area (EEA) or Gibraltar and the member was UK resident or resident in an EEA country.

This change applies for QROPS transfers from 30 October 2024, unless (as the proposed legislative revisions currently stand) a member requested a transfer before 30 October and that transfer is completed by 30 April 2025.

Other changes, primarily in relation to the technical operation of overseas pension schemes (including QROPS), were also announced:

- From 6 April 2025, the conditions for a scheme to be an occupational pension scheme or recognised overseas pension scheme established in the EEA, will be brought in line with those established in the rest of the world. This includes the requirements for that country to have a regulator as well as either a double taxation agreement or a Tax Information Exchange Agreement with the UK.
- From 6 April 2026, all scheme administrators of a UK registered pension scheme will be required to be UK resident. HMRC plans to provide more information on this change and what it means for existing scheme administrators who are not UK resident in future newsletters.

HMRC newsletters

HM Revenue & Customs (HMRC) has published two pension schemes newsletters in October:

[Pension schemes newsletter 163](#) was issued on 24 October 2024 and includes the following:

- Information in relation to two sets of amendment regulations relating to the abolition of the lifetime allowance, which are due to come into force on 18 November 2024 and will apply retrospectively from 6 April 2024. This includes further details on certain aspects of lump sum and death benefits, protections, transitional tax-free amount certificates and reporting requirements.
- Confirmation of changes to Real Time Information (RTI) payroll reporting, including in relation to the addition of two new data items for pension commencement excess lump sums and stand-alone lump sums from April 2025. Guidance is also provided on how to report authorised lump sums from April 2025 via RTI, where there is an excess over an individual's lump sum allowance or lump sum and death benefit allowance, for various lump sum authorised payment types.
- A reminder that from April 2025 all pension scheme returns for the tax year 2024 to 2025 onwards will need to be submitted via the Managing pension schemes (MPS) service.
- Clarification that any authorised surplus payment charge arises on the gross value of the authorised surplus payment and not on the amount received by the sponsoring employer on the refund of the surplus.

[Pension schemes newsletter 164](#) was issued following the Autumn Budget and provides a summary of the announcements in that budget in connection with tax relieved pension saving.

Pensions dashboards

On 22 October 2024 Minister for Pensions, Emma Reynolds published a written [statement](#) that includes the Government's commitment to the current pensions dashboards [connection timetable](#) for in-scope pension schemes.

As previously announced, connect by dates begin in April 2025 for certain schemes and are subject to an overall statutory connection deadline of 31 October 2026. In relation to the availability of dashboards to the public, the statement informs that "While it is too early to confirm a launch date for public use, we are taking steps to help the public realise the benefits of using a pensions dashboard at the earliest opportunity."

The statement also says that the Government supports the principle of enabling multiple commercial pensions dashboard services, but the Minister also confirms that "I have directed the PDP to focus its efforts on the connection and launch of the MoneyHelper dashboard service (provided by the Money and Pension Service), before turning to the work of connecting commercial dashboard services."

Pension scams

As part of [Scams awareness week 2024](#), the Pensions Regulator has issued a [press release](#) urging pension schemes to help protect savers from scams, by signposting scheme members to a [new video](#).

This video focusses on the story of a critical care nurse, who lost her entire £45,000 pension savings to fraudsters. She shares her story of being scammed and warns others not to fall victim.

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