

hmrc – what's new...?

This month, we turn our attention to the newsletters that originate from somewhere in the depths of HMRC on a pretty regular basis. It does make for somewhat dry consumption, and if you can manage to muscle your way through the opening paragraphs each time, a bit of reading between the lines can be helpful in trying to determine (or, rather, guess) where the general development of HMRC's thoughts are going.

So, taking a deep breath, let's look at what recent months have brought us...

data gathering

If we try to step back from some of the detail, and view all of the content (perhaps with squinted eyes), what immediately becomes evident is that HMRC is improving its data-gathering. The newsletters are littered with comments on various technical and administrative processes, but what is abundantly clear is that HMRC is investing significantly in systems and is looking to its registered Scheme Administrators (by which we mean politely insisting) to provide better and clearer data. There is also a momentum building towards a more automated means of data exchange.



This is not surprising. For any who have followed the financial press, especially articles that relate to HMRC's recent tribunal and court activities, they will be aware that HMRC are determined to use the information at their disposal to challenge, aggressively, any hint of deviation from their stated rules. Increasing the amount, and quality, of information at their disposal simply amplifies the ability of HMRC to pursue those that are not operating within these boundaries.

We can expect a continued and more thorough analysis of data and perhaps swifter action on the part of HMRC to combat activities of those operating outside the rules. It may be an appropriate time for individuals who manage their own pension schemes, as Scheme Administrator and Trustee, to ask themselves whether their own understanding of pension scheme legislation is up to date or whether they would benefit from the input of a professional firm.

Gone are the days (or, at least, they soon will be) where individuals will be seemingly able to hide their smaller schemes in amongst the massive quantities of data that stream in from the larger schemes. Growing automation of data means that HMRC's resources will not be stretched overly thin.

ii the detail...

So, what's actually contained in the newsletters? For those of you wanting some more relevant facts, we have:

- A brand-new system for managing and registering pension schemes. This is again part of HMRC's desire to clean up data and to generally improve the means by which Scheme Administrators need to cleanse their Pension Schemes Online data.

- Relief at Source – given that both Scotland's and Wales' devolved governments have ability to amend income tax levels, HMRC is now adapting systems and reporting so that they can track what payments are being made by individuals in the relevant countries.
- Return of Information – each year, HMRC requires Scheme Administrators to provide comprehensive data relating to the membership of their Schemes. This is now becoming more automated and tightly controlled than has been the case in the past.
- Applications for new pension schemes – a stern reminder to all those submitting applications to register pension schemes that HMRC retains the right to ask for more information, and can, to put it bluntly, take as long as they wish in deciding whether or not to register a pension scheme. HMRC, along with the other regulators, has a stated desire to crack down on pension fraud, and part of that strategy involves an intensive review of pension scheme applications even if that takes months.

So, there you have it. No startling revelations to be had as regards the operation of pension schemes generally, but certainly worth understanding the emphasis that HMRC is now placing on accuracy and automation of data, an emphasis that can and should, in our view, be relayed to clients, especially those who think they are too small for HMRC to bother with...

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