Changes to DWP legislation regarding late payments of Contribution Equivalent Premiums (CEPs)

As of 6 April 2017 new CEP provisions came into force to allow late payments of CEPs via the Scheme Reconciliation Service (SRS) query process.

These provisions do not apply in all circumstances, please see attached link.

http://www.legislation.gov.uk/uksi/2017/354/contents/made

HMRC will apply these provisions consistently across all processes and member types

We are aware that Administrators have been stockpiling SRS 'Not In Scheme' queries for members over State Pension age (SPA) or deceased.

We are considering developing an automated solution to resolve these queries. It would therefore be helpful if you could let us have information regarding the number of queries you have.

Please let us know via CRM.schemereconciliationservice@hmrc.gsi.gov.uk the number of SRS queries where,

1.   HMRC have advised you that our records show liability with the scheme and you would like to pay a CEP where the member is over SPa or deceased

2.   HMRC have advised you that our records show liability with the scheme and you think that you have previously paid a CEP where the member is over SPa or deceased.

Whilst we are investigating an automated solution, could you please continue to hold any queries that have been awaiting the new CEP provisions?

If an automated solution is feasible, we will also consider extending this to closure output queries.

We will provide updates in subsequent countdown bulletins regarding timescale for submitting these queries.

Scheme Reconciliation Service – receipt of files

You will now be informed of timescales directly through your eRooms, rather than by e-mail. Files in the incorrect format will be rejected. Where the file is accepted a timescale and a category i.e. automation/clerical will be entered in the HMRC comments box. PSAs should refer to their eRooms to ensure they are aware of these details.

Completion of the Scheme Reconciliation Service Query Template

SRS queries must be raised by completing the template in your SRS e-room. The template should be completed as per the guidance which can be found in your eRoom.

Please do not add or remove any columns unless your query is for automation and you have been advised to do so.

We have been asked to clarify the mandatory columns for the Not in Scheme automated queries mentioned in countdown bulletin 24

Not in Scheme Automation files

For Transfer-out, RPA, or Buy-out queries, the only information required in the scheme comment field is one of:

- TFR

- RPA

- BUY

Any incorrect spelling or extra information will result in your queries being unfit for automation and they will be rejected.

You will need to provide 2 additional columns on the query template:

- column AS - importing Scheme Contracting Out Number (SCON)/Appropriate Scheme Contracted-out Number(ASCN) (Column mandatory completion mandatory)

- column AT – revaluation rate (column mandatory completion optional)

Please note: completed fields must be in the correct format otherwise the query will be rejected.

Reconciliation of active members – closure scan queries

The scan automatically closed open periods of contracted-out employment held on HMRC records, using the Scheme Contracted-out Number (SCON) provided by Employers on their Full Payment Submissions (FPS). Details of all the active members identified by the scan are currently being shared with you to enable you to reconcile your records.

We previously advised that a pilot exercise took place with a small number of Pensions Scheme Administrators (PSAs). During this pilot it was identified that some entries on the file had an end date prior to 05/04/2016.

To assist HMRC could you please submit any queries generated from the active member's data where the **end date is prior to 05/04/2016,** via the Scheme Reconciliation Query template.

Where your queries are for cases where the **end date is 05/04/2016**, please submit them using the Closure query template.

Automation timelines

The dates that we are currently working towards are shown below but they may be subject to slight change.

The 'Files to HMRC date' is the latest date that files can be loaded to e-rooms if they are to be included in the automated run.

The 'final output dates' are the dates that your automated responses, rejections and clerical fall out will be sent by our IT supplier to HMRC Delivery.

The 'Expected Automated Response date' is the latest date that we expect to load your automated responses and rejections.

Files to HMRC	Final Outputs	Expected Automated Responses
Was in Scheme (including re run)		
N/A	25/04/2017	23/05/2017
15/05/2017	05/06/2017	03/07/2017
No trace Emp Details		
01/06/2017	21/06/2017	19/07/2017
Not in Scheme (TFR, RPA & Buy)		
30/05/2017	28/06/2017	26/07/2017
Secondary Type 5		
16/05/2017	31/05/2017	28/06/2017
Spouse Details		
16/05/2017	31/05/2017	28/06/2017