



PENSION E-FILING

As part of the A-Day pension reforms, HMRC has introduced electronic filing of key returns and, in support of this, the roles of scheme Administrator and Practitioner. Confusingly, the companies responsible for day-to-day administration of the scheme will typically adopt the role of Practitioner. Both Administrators and Practitioners have specific responsibilities when it comes to filing returns and pension administrators must establish clearly defined processes with appropriate audit trails if they are to stay within the new rules.

THE BASICS

Firstly, let's sort out the terminology:

- Administrator – The HMRC-defined role ultimately responsible for filing returns and paying tax and any penalties.
- Practitioner – The HMRC-defined role that may file returns on behalf of an Administrator who has authorised them to do so.
- TPA – A third party administrator who provides day-to-day pension administration services for their clients.

In general, the TPA will act as the Practitioner. The client must ensure that the scheme is registered and that the TPA is authorised to act on its behalf as a Practitioner. (However, there are some exceptions to this arrangement for SSAS administration.)

But that's not the end of it.

APPROVING RETURNS

For each of the key regular returns to the HMRC (Accounting for Tax, Event Report and the Annual Return) the TPA must declare, not only that they are authorised to make the return, but explicitly that the Administrator has approved the contents of the return.

Furthermore, the TPA must retain some evidence of this authorisation for subsequent inspection by the HMRC.

There are a number of approaches to authorising returns that TPAs could adopt, but most have significant draw backs.

It would be possible for the TPA to simply send the data by post and ask their clients to confirm in writing that the submission is approved. However, this is time consuming and reintroduces paper filing into the process. In short, it undermines the key benefits of automated e-filing.

Some of the returns contain sensitive information concerning employers and members, and therefore unencrypted transmission by e-mail represents an unacceptable security risk. Suitable encryption methods are available, but the overhead of key management involving large numbers of clients would be onerous.

HMRC's on-line forms provide no facilities for securing Administrator approval.

However, a simple approach that avoids the pitfalls outlined above is for the TPA to send a de-sensitised summary of the return data to clients by e-mail. This will be enough information for the vast majority of clients to give their approval (by replying to the e-mail).

This process is entirely electronic (and therefore open to automation) and one which HMRC has confirmed meets their requirements.

Where a client needs more detail the full return can be sent by post, but this is expected to be a very rare occurrence.

ALTUS PENSIONS GATEWAY

The Altus Pensions Gateway is a complete automated e-filing solution. Core Government Gateway and HMRC transmission mechanisms are complemented by comprehensive control and audit facilities.

Each stage of the submission process is subject to approval by authorised personnel and a full history of each submission is maintained for at least 6 years as demanded by HMRC.


Where TPAs permit clients to access the system directly over the internet or via a VPN the necessary Administrator approval can be given directly.

Where client access is not possible, the Altus Pensions Gateway can automatically generate summary e-mails (as described above) and transmit these to the Administrator for approval. If a client insists on the full set of information then printing facilities are also provided.

THE BENEFITS

The new pension e-filing regime should be viewed as an opportunity to streamline reporting processes rather than another costly regulatory change.

The obvious benefit of an automated approach is costs savings through reduced administrative effort. But just as important are stricter controls over the process to minimise the risks of mistakes and provide a more dependable service to clients.



Scheme	Perkington Pensions	
Submission Type	Add Scheme Administrator	
Reference	125	
Event Type	Event Date	Associated User
Loaded	17/05/2006 05:21:41	Ben Cocks
Approved	17/05/2006 05:21:49	Ben Cocks
Released	17/05/2006 05:21:50	Ben Cocks
Submission Started	17/05/2006 05:21:52	Gateway Process
Polling Gateway	17/05/2006 05:21:52	Gateway Process
Response Received	17/05/2006 05:22:13	Gateway Process
Deleted from Gateway	17/05/2006 05:22:23	Gateway Process
Submission Complete	17/05/2006 05:22:23	Gateway Process

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