



# Countdown Bulletin

The newsletter about the ending of contracting-out



Did you know there are **6 months** left before Employers can no longer submit their RTI submissions using the Temporary SCON, and **18 months** left for requesting Scheme Reconciliation.

## Only 18 months to go until the ending of Contracting-out

### Scheme Reconciliation Service

There has been a positive take up of the Scheme Reconciliation Service and HMRC have received 1889 requests and issued records for 1175 Schemes.

However, the number of queries that we have received following issue of the data is much lower than expected. It is important that Pension Scheme Administrators return any queries to HMRC as soon as possible to help us to manage the Scheme Reconciliation Service effectively.

HMRC have also received a number of requests for reconciliation in respect of ceased schemes. Although the Scheme Reconciliation Service is available to ceased schemes which have contracted-out rights still preserved within the scheme, it is **limited to schemes where the scheme cessation action is complete and there is no ongoing work with our scheme cessation area.**

- Have you registered with the Scheme Reconciliation Service?
- Click here to find out more [www.hmrc.gov.uk/nic/srsrequest.htm](http://www.hmrc.gov.uk/nic/srsrequest.htm)

### Information for Trustees

Following the sharing of membership data with those schemes who requested Scheme Reconciliation, we are now beginning to receive queries from a small number of schemes where there is a discrepancy between HMRC records and those held by the scheme. However, the volume of queries received to date is much lower than we anticipated. Although schemes have requested Scheme Reconciliation, they do not appear to be looking at the data. Schemes need to use the information provided by HMRC to reconcile their membership as soon as possible after receipt. Feedback from schemes has been that 4 years (April 2014 – Dec 2018) is not enough time for them to reconcile so any delay in providing queries to HMRC shortens the timescale.

Could you please ensure that, where schemes have received the data, they start reconciling and raising queries with HMRC as soon as possible.

## Scheme Reconciliation Service issues

### ‘Type 5 issues’

As you may be aware we have had a problem where members have been incorrectly included as a type 5 instead of a type 1, 2, 3 or 4. These are in the main members with post 1997 memberships. This problem was fixed on 6 August so any output received after this date will show members under the correct categories.

For type 5 records created before 6 August we are working with our service provider to provide revised listings for the incorrect type 5 cases. The revised listings will show the members under the type 1 to 4 as appropriate and you will receive an alert via your e-room when they are available.

### ‘Submission of notices of terminations’

We originally advised schemes to submit terminations/transfers notices via Shared Workspace where the query type was either ‘was in scheme’ and/or ‘not in scheme’. Following analysis of some of these type of queries, it has been identified that for a large percentage of these cases a termination/transfer is not required e.g ‘married women reduced rate election’ is recorded on HMRC records. Therefore, to speed up the process for both Schemes and HMRC, we ask that, where required, you provide the termination/transfer details on the query template. HMRC will use this information to update our records and will advise the scheme of any GMP via the query template.

### Shared Workspace-Customer Organisation Representative (COR)/Customer Nominated Contacts (CNC’s)

From the requests that we have received so far there have been a number of occasions where the invitation to set up Shared Workspace has not been responded to. The outcome of which is that the full registration process has to start again. Please therefore ensure that all requests are processed within the timeframe set out below.

When a Scheme makes a request to use Shared Workspace, an e-mail is issued to the COR containing an Invite Key and a URL link to authorise the organisation as well as requesting that they nominate two members of the Organisation to be assigned the CNC role.

Once the CNC’s are nominated, they also receive an invitation e-mail to either:

- Register for Government Gateway then enrol for the Shared Workspace service or
- Enrol for the Shared Workspace service with an existing Government Gateway account.

Both the COR and the CNC’s have 28 days following receipt of the invitation e-mail, to take action to activate Shared Workspace.

Failure to complete the action within the 28 days delays the set up of the e-rooms and will in some circumstances require the full registration process to start again.

To prevent delay in receiving your output from Scheme Reconciliation please ensure that the guidance provided on the invitation e-mail is followed.

## An update on a number of issues raised around HMRC’s Scheme Reconciliation Service, these along with our responses are shown below

### Can HMRC provide Contributions and Earnings Information along with the Scheme Reconciliation output?

Our original process if you required contributions/earnings information was for you to submit a request for the existing Contracted-Out Contributions/ Earnings Information Service (COCIS) via shared workspace.

Based on Conference feedback we explored:

- Providing contributions and earnings information upfront via a clerical HMRC process
- Providing contributions and earnings information upfront via an automated process

Based on our findings we are in the process of developing a partially clerical, partially automated process where we will provide the Employer Contracting-out Numbers (ECONs) for your members as part of the scheme reconciliation service output. You will then be able to use this information to request COCIS. This addresses the main concern raised at the conference which was that schemes don’t always know all the ECONs to be able to request COCIS. Until the IT is developed normal process of requesting COCIS via your e-room should continue.

### Can details of the Surviving Spouse be provided?

Although we recognise your concerns that we only supply member details on the scheme reconciliation output, due to IT constraints we are unable to provide this information. However where, after using the member's information we provided, you still require spouse details please complete the query template for HMRC to consider.

### Could HMRC provide Schemes with a members address?

We have considered this request and unfortunately HMRC will not be able to provide details of member's addresses. However, DWP does provide a letter forwarding service, you can find full details at [Letter forwarding service](#).

### Can HMRC look at any easements around the payment of a Contributions Equivalent Premium (CEP)?

Where scheme records suggest that a CEP has been paid but is not recorded on HMRC records, you should continue to provide appropriate evidence to support this and complete the query template appropriately. Where evidence cannot be supplied, HMRC will look at the circumstances of each individual case.

## Requests for Scheme Contracted-out Number (SCON) information

Since April 2014 legislation has required employers to report the SCON in addition to the Employer's Contracting-out Number (ECON), on their Full Payment Submission (FPS) when reporting contracted-out National Insurance Contributions for employees who have been in a contracted-out pension scheme during the tax year.

HMRC will use the SCON information to automatically close periods of contracted-out employment when contracting-out comes to an end on 5 April 2016 and to then provide information to pension schemes and individuals. It is therefore important that the employer provides the correct SCON for each of their employees.

We have received a number of submissions where employers have incorrectly entered a SCON that refers to a scheme that ceased to contract-out a number of years ago. In our guidance to employers we have asked that they ensure that the SCON entered refers to the scheme that the individual is currently a member of.

In addition to this some employers have made use of the facility to use a temporary SCON until they could establish the correct SCON information. HMRC is withdrawing this facility at the end of the 2014-15 tax year so these employers will need to take action to report the correct SCON from April 2015.

You may therefore receive requests from employers for SCON information. We would appreciate your co-operation in working with employers to establish the correct SCON, particularly where the employer operates more than one pension scheme. This will ensure that the information we send as part of our closure activities in 2016 is sent to the correct pension scheme and does not create additional queries between HMRC, Administrators and Employers.

## Apparent Un-notified Terminations (AUTs)

We have started to work the output from the 2014 AUT exercise and based on feedback from Pension Scheme Administrators and HMRC Frontline Staff we have made the following additional improvements to the AUT Process:

- Where a GMP has been enforced, the GMP Statement (CA1625) will show a reference of 'enf' along with a short abbreviation of the employer name.
- Where the period of membership starts after 5/4/1997 we will use the main Scheme Contracted-Out Number (SCON) where possible to enforce a Contracted-out Salary Related (COSR) Rights Termination. We will advise you we have done so and provide details of the member and the employment.
- Where it is not possible to enforce a GMP or COSR rights an AUT enquiry letter will be issued.
- As with the 2013 AUT exercise, HMRC asks schemes to continue to give priority to this workload by responding to AUT enquiry letters and by contacting them immediately with the correct details if the incorrect SCON is shown in relation to an enforced GMP or COSR rights.

## Feedback details

We are always keen to improve our products so your comments on the content and layout would be very welcome.

- Do you find the Countdown bulletins useful?
- Is there anything that could be improved?
- What articles would you like us to cover in future editions?

Please send any feedback on the Countdown Bulletin to:



**Mailbox.newstatepension  
enquiries@hmrc.gsi.gov.uk**

## Useful Links

HMRC's internet pages will soon be moving to the Gov.uk site, you will still be able to access information using the links below:

[www.hmrc.gov.uk/nic/coeg.htm](http://www.hmrc.gov.uk/nic/coeg.htm)

[www.gov.uk/new-state-pension](http://www.gov.uk/new-state-pension)

[www.hmrc.gov.uk/nic/srsrequest.htm](http://www.hmrc.gov.uk/nic/srsrequest.htm)

## Contact the HMRC New State Pension Project Team

If you have any queries about the ending of contracting out, send an email to:

**Mailbox.newstatepensionenquiries@hmrc.gsi.gov.uk**

Please continue to deal with your usual NISPI contact for your day to day enquiries.

## Contact details

If you have any general queries about Contracted-out Pensions please contact the helpline:

**Opening hours**

8.30am to 5.00pm, Monday to Friday

Closed weekends and bank holidays

**0300 200 3507**

For customers who are deaf or hearing or speech impaired:

**0845 915 3296 (Textphone)**