

PASA Consultation Response

HMRC: Technical consultation – Inheritance Tax
on pensions: information sharing regulations

June
2026

PASA 



PASA Consultation Response

Section	Content	Page
1	Summary	1
2	Consultation Questions and Responses	2
3.	Conclusion	9

Acknowledgments

PASA is grateful to the authors of the Guidance and members of the PASA Industry Policy Committee and their employers.

Gareth Stears (co-Chair)

Aries

Ross Wilson (co-Chair)

Gallagher

Andrew Palmer

Bravura Solutions

Natasha Moss

Delta FS

Rosie Kwok

LCP

Uche Egenti

RailPen

About PASA

The Pensions Administration Standards Association (PASA) was created to provide an independent infrastructure to set, develop, guide and assess administration standards.

PASA acts as a focal point and engages with industry and government to create protocols for understanding good administration - but also appreciates there's no one size fits all. PASA develops evidential Accreditation practices allowing benchmarking across and between the industry regardless of how the administration is being delivered.

As well as raising the profile of pension administration generally, PASA focuses on three core activities:

- Defining good standards of pensions administration relevant to all providers, whether in-house, third party or insurers
- Publishing Guidance to support those standards
- Being an independent Accreditation body, assessing the achievement of good standards by schemes

There's no other organisation providing such services across schemes, yet there's a demand for evidence of service quality from scheme trustees, sponsors, administrators, insurers, members and regulators.

1. Summary

We welcome the opportunity to respond to the consultation on the proposed amendments to the Registered Pension Schemes (Provision of Information) Regulations. Our response focuses on the practical implications for Pension Scheme Administrators (PSA), including the deliverability, clarity and consistency of the proposed framework, and the extent to which it supports timely and accurate outcomes for members and beneficiaries.

Our key observations are set out below:

- The proposed timeline creates operational risk. PSAs need sufficient time to update systems and processes, amend communications, train staff and align third-party arrangements. Guidance issued close to April 2027 could lead to inconsistent interpretation, operational errors and delays in paying benefits to bereaved families
- The proposed approach to prospective personal representatives creates significant uncertainty for PSAs. Clear guidance is needed on validation standards, the level of enquiry expected and the protections available where PSAs have acted reasonably and in good faith
- The framework relies heavily on declarations and self-certified information. This introduces additional evidential risk, particularly given the increasing prevalence of fraud relating to death notifications and benefit claims
- The regulations require extensive sharing of personal data but don't clearly establish the lawful basis for certain disclosures or provide a mechanism for withholding information in exceptional safeguarding circumstances
- The withholding notice framework provides limited flexibility for PSAs where illiquid assets or other practical constraints could result in material detriment or unequal outcomes for beneficiaries
- The proposed timelines assume a linear sequence of events. In practice, death benefit administration is often iterative, overlapping and dependent on incomplete or evolving information
- The regulations, technical note and supporting process materials aren't fully aligned. Greater consistency is needed to reduce uncertainty and support effective implementation
- The proposed Event 25 reporting requirements introduce a quarterly reporting cycle which doesn't align with existing annual or event-driven reporting frameworks. This increases system complexity, raises the risk of reporting errors, and concerns around proportionality

Overall, further clarity and comprehensive supporting guidance will be essential to ensure the framework is deliverable and supports good member and beneficiary outcomes. Without this, there's a risk the new requirements increase operational complexity and delay benefit payments without delivering corresponding improvements in outcomes.

2. Consultation Questions & Responses

a. Core Areas of Feedback – Administrator Impact

i. Timing of Guidance and Operational Readiness

The proposed implementation timeline creates operational risk. PSAs need enough time to:

- Update systems and processes
- Amend communications
- Train staff
- Align third-party arrangements

These proposals introduce significant operational change. With the regime introducing new roles, new data flows and new obligations across the full death benefit process.

Issuing guidance close to April 2027 risks:

- Inconsistent interpretation across schemes
- Operational errors
- Delays in paying benefits to bereaved families

The framework also depends on timely and accurate data exchange between multiple parties. Late or incomplete Guidance increases risk across the whole process.

Recommendation

- Provide near-final guidance well in advance of April 2027
- Confirm key operational requirements early to support system design, training, and communications

ii. Prospective Personal Representatives (PPRs) – Authority, Validation and Liability

The introduction of the PPR role supports earlier engagement. However, the current approach creates significant uncertainty and risk for administrators.

A. Validation and Acceptance

The threshold for recognition as a PPR appears intentionally broad and relies heavily on an individual's belief they will become a Personal Representative. PSAs must assess this using evidence and declarations.

The proposed approach relies heavily on self-certified declarations. While this enables earlier engagement, it introduces additional evidential risk. It's not clear whether any prioritisation principles are expected where multiple individuals may reasonably consider themselves prospective personal representatives. This creates two risks:

1. Accepting claims too readily and disclosing information incorrectly
2. Applying stricter checks and delaying estate administration

Previous Ombudsman determinations have demonstrated the risks associated with relying solely on self-certified declarations where insufficient evidence has been gathered.

The proposed framework increases reliance on declarations at an earlier stage, before formal legal authority has been established. This raises the risk of:

- Incomplete or inaccurate information being relied upon
- Fraud or misrepresentation
- Challenge to actions taken in good faith

This is particularly relevant given the increasing prevalence of fraud in relation to death notifications and claims. This also has direct implications for the extent and timing of information shared, particularly where sensitive beneficiary data is disclosed based on early-stage engagement.

B. Where a PPR doesn't become a PR

A PPR may receive information but not ultimately become the formal PR. There isn't clear protection for PSAs where they:

- Rely on declarations
- Act in good faith

This creates a disproportionate risk for administrators where decisions or disclosures are later challenged.

C. Interaction with statutory definitions

There's also uncertainty around timing:

- When an individual is treated as a PR for disclosure purposes
- How this aligns with the statutory definition

This adds further complexity to a judgement-based process.

Recommendations

- Provide clear guidance on expected validation standards for PPRs, including any prioritisation principles
- Acknowledge the risks associated with reliance on good faith declarations
- Set out in greater detail the level of enquiry expected before information can be relied upon or disclosed
- Confirm PSAs will be protected where they have acted reasonably and in good faith within the framework

iii. Data Protection and Beneficiary Safeguarding

The regulations require PSAs to share personal data between PSAs, PRs and PPRs, and beneficiaries. This data includes:

- Names and addresses
- National Insurance Numbers
- Contact details

The proposals don't:

- Clearly define the lawful basis for certain disclosures
- Provide any mechanism for withholding information in exceptional circumstances

This creates risk where:

- There are safeguarding concerns
- Disclosure could cause harm

PSAs may already hold information indicating risk but have no discretion to act on it. This could place PSAs in the difficult position of complying with disclosure requirements while being aware of circumstances which may create safeguarding concerns for an individual.

Recommendations

- A joint HMRC and ICO statement confirming the lawful basis for disclosure
- Guidance on when information may be withheld due to safeguarding concerns
- Assurance PSAs won't be penalised for acting to protect individuals

iv. Withholding Notices – Lack of Flexibility and Asset Constraints

Withholding notices allow PSAs to withhold up to 50% of benefits for up to 15 months.

Where a notice is valid, PSAs appear to have limited discretion to take account of practical constraints or potential unintended consequences. This creates practical issues, particularly where schemes hold illiquid assets such as:

- Property
- Private market investments
- Long-duration products

This may lead to:

- Forced asset sales at disadvantageous prices
- Delays in benefit payments
- Unequal outcomes for beneficiaries

The practical impact of a withholding notice is also likely to vary depending on scheme design and asset structure. As a result, beneficiaries in similar circumstances may experience materially different outcomes, including differing payment timescales or levels of detriment, despite being subject to the same regulatory framework. Greater flexibility within the regime could help mitigate these unintended consequences.

There's also a risk of withholding notices being issued as a precautionary or default approach, where personal representatives or advisers consider it safer to request withholding than risk underpaying IHT. Without clear Guidance, this could lead to:

- Unnecessary withholding being applied
- Increased volumes of notices for PSAs to manage
- Delays in benefit payments
- Poorer outcomes for beneficiaries

Recommendations

HMRC should:

- Allow PSAs to raise concerns where material detriment would arise
- Recognise the constraints of illiquid asset structures in guidance
- Consider more flexible or staged approaches where appropriate
- Provide clear guidance on the appropriate use of withholding notices to avoid precautionary or inappropriate use

v. Deliverability of Timescales and Process Dependencies

The regulations introduce multiple deadlines, including:

- 28-days to provide valuation and other information following a request
- 14-days to acknowledge notices and confirm whether they are valid
- 3-months for post-payment reporting

These timelines apply across different stages of the process and may overlap in practice.

At the same time, PSAs must:

- Verify identity
- Assess notice validity
- Determine beneficiaries
- Obtain and validate further information

These processes aren't linear in practice. They're often iterative, overlapping and dependent on incomplete or evolving information.

The proposed framework assumes a clean sequence of events. This doesn't reflect the reality of standard administrative practice in dealing with death benefits.

While individual deadlines may appear reasonable in isolation, their cumulative effect within a complex death benefit process may create operational challenges.

Recommendations

HMRC should

- Review the cumulative impact of these timelines
- Allow staged responses, including initial holding acknowledgements
- Recognise processes won't always follow a linear path

vi. Consistency Between Regulations, Technical Note and Process Design

The framework relies on legislation, technical guidance and supporting materials, however these components aren't fully aligned. This creates:

- Uncertainty for PSAs
- Inconsistent operational processes
- Potential for dispute

Several examples of inconsistency and ambiguity are identified later in this response. These demonstrate the importance of ensuring legislation, technical guidance and process documentation operate as a coherent framework.

Recommendation

HMRC should:

- Align requirements across payment notices and withholding notices
- Ensure key process requirements are reflected consistently across all materials
- Review the framework for overall coherence

vii. Event Reporting Requirements – Death in Service

The proposed introduction of a new Event Report 25 for death in service (DIS) payments introduces a materially different reporting approach from existing HMRC event reporting requirements.

Most event reporting within the pensions framework is either:

- Annual in nature
or
- Event-driven, with reporting required within a defined period following the occurrence of an event

The introduction of a quarterly reporting cycle for Event 25 represents a departure from these established models. Under the proposed approach, payments must be tracked and reported based on quarter-end dates, rather than being driven directly by the event itself. This creates several operational challenges as PSAs would need to:

- Build and maintain a separate quarterly reporting process specifically for DIS payments
- Implement system functionality to track payments against quarterly cut-off dates
- Operate dual reporting logic alongside existing annual and event-driven processes

This introduces additional complexity into what is otherwise a largely consistent reporting framework. There's also an increased risk of:

- Errors in tracking and allocating events to the correct reporting period
- Missed or incorrect submissions due to overlapping reporting cycles
- Additional reconciliation activity where events span reporting boundaries

The introduction of a separate reporting cadence also creates additional administrative cost, as schemes and PSAs will need to design, implement, test and maintain new workflows and controls.

More broadly, it's not clear why death in service payments require a distinct quarterly reporting timetable, particularly where other events of comparable significance are reported through established annual or event-driven processes.

The creation of a bespoke reporting approach for a single event type risks introducing operational and system burdens which may be disproportionate to any demonstrated benefit, while increasing administrative effort without improving tax outcomes.

Recommendation

HMRC should:

- Review whether a quarterly reporting cycle is necessary for Event 25
- Align Event 25 reporting requirements with established annual or event-driven frameworks where possible
- Clearly explain the rationale for introducing a separate reporting cadence
- Consider the operational and system impacts of introducing a third reporting model

b. Additional Technical and Drafting Observations

We also note the following points:

- The definition of 'beneficiary' only applies to regulations 10C to 10N. The term is already used in the Provision of Information Regulations, but seemingly without a specific definition. Regulation 8 of the Information Regulations doesn't currently use the term but regulation 5(2)'s amendment adds a clause with this specific term, which won't be covered by this new definition. We assume it inherits the definition from Inheritance Act 1984 section 226B. Is this intentional?
- New regulations 10E and 10F seem to refer to the same request. The decision to have two separate provisions is presumably quite deliberate, but it might be helpful for comprehension if they referred to each other i.e. 10E might say 'provide the information specified in paragraph (3) and the information specified in regulation 10F'. 10F (1) in turn might say "this regulation applies where there has been a request under 10E (1)."
- In regulation 4(3), there is an argument (for improved readability) for adding as (9A)-(b) after 3(9) to sit with the other, current event report deadlines
- Regulation 10F (5) refers to 1(a) or 2(b), which appears inconsistent. We expect the '1' and '2' are erroneous and it seems the bullet list has not been formatted
- There isn't an equivalent to 10F for 'provision of information by an insurance company to personal representatives: excluded benefits'. We note this point but assume it's intentional.

- 7.3.2 of the Technical Note says 'Pension scheme administrators must tell the taxpayer why a notice is invalid within 35 days of receipt of the payment notice...' This requirement isn't in the Provision of Information Regulations, which has a new equivalent for Withholding Notices (10H (3))
- 7.7 of the Technical Note says 'Pension scheme administrators will report and make payments using existing functionality within the Managing Pension Schemes service. HMRC will provide a payment reference number for the pension scheme administrator to quote when they make the payment.' There doesn't seem to be a new reporting requirement, so this has presumably been addressed (or will be addressed) elsewhere

3. Conclusion

These proposals introduce a significantly more interconnected framework involving PSAs, personal representatives, beneficiaries and HMRC. While the policy intent is clear, successful implementation will depend on clear guidance, consistent requirements and a framework which reflects the practical realities of death benefit administration. Getting these elements right will be essential to avoid unnecessary complexity, support timely benefit payments and deliver good outcomes for beneficiaries.



Get in touch:

info@pasa-uk.com

www.pasa-uk.com