EXPLANATORY MEMORANDUM TO

THE REGISTERED PENSION SCHEMES (PROVISION OF INFORMATION) (MISCELLANEOUS AMENDMENTS) REGULATIONS 2026

2026 No. 818

1. Introduction

1.1 This Explanatory Memorandum has been prepared by His Majesty's Revenue and Customs (HMRC) and is laid before the House of Commons by Command of His Majesty.

1.2 This memorandum contains information for the Select Committee on Statutory Instruments.

2. Declaration

2.1 Dan Tomlinson MP, Exchequer Secretary to the Treasury, confirms that this Explanatory Memorandum meets the required standard.

2.2 Torsten Bell, Minister for Pensions at the Department for Work and Pensions and HM Treasury, confirms that this Explanatory Memorandum meets the required standard.

2.3 Helen Page, Deputy Director for Pensions, Individuals Policy Directorate at HMRC confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Cath Rourke at HMRC can be contacted by email at the following address with any queries regarding the instrument: policypensions@hmrc.gov.uk. Alternatively, the department can be contacted by telephone: 03000 512336.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The legislation amends The Registered Pension Schemes (Provision of Information) Regulations 2006 (SI 2006/567), in connection with the information that pension scheme administrators and personal representatives must supply to each other, beneficiaries of pension schemes, and HMRC after the death of a pension scheme member.

4.2 These information requirements will ensure the personal representative can submit a complete Inheritance Tax account to HMRC. They will ensure the pension scheme administrator can provide the information necessary for that account. They will also ensure that HMRC can check the correct benefits have been included in that account, and the correct tax charged in connection with the deceased and the pension beneficiaries.

4.3 This instrument amends regulations 8 (death: provision of information by scheme administrator to personal representatives) and 10 (death: provision of information by personal representatives to the Commissioners) to require confirmation of the amount, by which a beneficiary's entitlement to a lump sum death benefit has been reduced because of an adjustment made under the new provisions.

4.4 This instrument inserts new regulations 10C to 10M. These provisions set out the information that must be provided by scheme administrators and insurance companies to personal representatives and beneficiaries to enable compliance with the new requirements. They also require scheme administrators to confirm when Inheritance Tax has been paid on behalf of a personal representative or beneficiary.

4.5 Non-compliance with the information requirements is enforceable via the penalty regime in section 258 of Finance Act 2004.

4.6 This instrument also makes a minor technical amendment to clarify the time-limit for a pension scheme administrator to notify HMRC when a pension scheme becomes, or ceases to be, a Master Trust. HMRC has complied with the requirement in paragraph 4.7.6 of the Statutory Instrument Practice to consult the SI Registrar.

4.7 This instrument also amends The Registered Pension Schemes and Overseas Pension Schemes (Electronic Communication of Returns and Information) Regulations 2006 (SI 2006/570) to require that specified information regarding reportable events, included in the table in regulation 3(1) of SI 2006/567, is provided using an approved method of electronic communication.

Where does the legislation extend to, and apply?

4.8 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the United Kingdom.

4.9 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the United Kingdom.

5. Policy Context

What is being done and why?

5.1 Finance Act 2026 made changes to the Inheritance Tax Act 1984 (IHTA), Finance Act 2004 and Income Tax (Earnings and Pensions) Act 2003 to bring reforms to Inheritance Tax on pensions into effect. It also introduced section 218B Inheritance Tax Act 1984, which operates with Finance Act 2004 powers, to ensure that those powers relating to provision and preservation of information in connection with pensions are also exercisable for Inheritance Tax purposes. From 6 April 2027, most unused pension funds and pension death benefits will be included in the value of a deceased's person's estate for Inheritance Tax purposes.

5.2 This instrument makes first use of the new section 218B power, and requires certain persons, including scheme administrators and insurance companies, to provide specified information in connection with unused pension funds and pension death benefits. This is to enable personal representatives and beneficiaries to determine any Inheritance Tax liability arising in respect of those benefits and to comply with their obligations under the relevant legislation.

5.3 In addition, this instrument requires scheme administrators and insurance companies to provide confirmation where adjustments are made to a beneficiary's entitlement to a lump sum death benefit under the new provisions.

5.4 This instrument also requires scheme administrators to notify personal representatives and, where appropriate, beneficiaries when a payment of Inheritance Tax has been made on their behalf.

5.5 This instrument amends SI 2006/570 to provide that reportable event information must be provided to HMRC using approved methods of electronic communication.

5.6 This instrument will affect scheme administrators of registered pension schemes, insurance companies that provide pension death benefits, personal representatives of deceased members of pension schemes and beneficiaries entitled to pension death benefits.

What was the previous policy, how is this different?

5.7 The previous policy did not include most unused pension funds and pension death benefits in the value of a deceased person's estate for Inheritance Tax purposes. In particular, benefits paid from discretionary pension schemes were generally outside the estate, and the Inheritance Tax treatment varied across different types of pension arrangements. Pension scheme administrators and insurance companies were not required to provide the information specified in this instrument to personal representatives, beneficiaries or HMRC in connection with Inheritance Tax liabilities arising on pension death benefits.

6. Legislative and Legal Context

How has the law changed?

6.1 This instrument amends SI 2006/567 to introduce new reporting and information requirements.

6.2 Finance Act 2026 introduced the concept of withholding benefits and prospective personal representatives, in section 226B IHTA. A prospective personal representative is a person who has reason to believe that they will become a personal representative of that person. Provision is made for prospective personal representatives to submit notices and receive related information where needed before a grant of representation is obtained. Other provisions only apply once a personal representative has been formally appointed, or where the obligations arise solely in relation to beneficiaries.

6.3 This instrument also amends SI 2006/570 to require that reportable event information is provided to HMRC using an approved method of electronic communication.

6.4 These regulations come into force on 6 April 2027. The amendments apply for the 2027-28 tax year and subsequent years, except for regulations 3 and 5 to 8, which apply only in relation to deaths occurring on or after 6 April 2027.

Why was this approach taken to change the law?

6.5 The approach taken reflects the need to introduce new information and reporting requirements within the existing framework governing the provision of information by pension scheme administrators and related persons. SI 2006/567 already set out the requirements for reporting events and providing information to HMRC and other parties.

6.6 Amending those Regulations provides a consistent and established mechanism for specifying additional information requirements, including the form, content and timing of information to be provided. This allows the new requirements to be integrated with existing reporting obligations and processes used by pension scheme administrators and insurance companies.

6.7 This approach avoids the need to create a separate legislative framework for information provision and ensures that the new requirements operate alongside, and are aligned with, existing obligations.

7. Consultation

Summary of consultation outcome and methodology

7.1 HMRC has worked with the pension and Inheritance Tax industry to develop and test the legislation needed for the information requirements. Draft regulations were published for a short technical consultation.

7.2 HMRC received thirty-three responses. Respondents were generally supportive of introducing clear information-sharing requirements to support the reforms to Inheritance Tax in relation to pension benefits. Feedback focussed on the practical operation of the requirements, including the timing of information provisions, the interaction with existing administrative processes, and the need for clarity in relation to the information provided.

7.3 The regulations have been developed taking account of consultation responses. Minor amendments have been made to ensure the requirements are clear, proportionate and deliverable alongside existing processes used by scheme administrators and insurance companies. The requirement for pension scheme administrators to report all death in service payments to HMRC has been removed. Instead, personal representatives are only required to report this information in cases where an Inheritance Tax account is due.

7.4 HMRC will continue to work with industry representatives to help them fully understand their obligations for a smooth transition following the introduction of this measure.

8. Applicable Guidance

8.1 HMRC published a technical note[1] on the GOV.UK website on 11 May 2026.

8.2 Existing guidance does not reflect unused pension funds and pension death benefits being in scope of Inheritance Tax. Amendments are required and will be made to coincide with this instrument taking effect.

8.3 Pensions guidance is included in the Pensions Tax Manual[2].

8.4 Inheritance Tax guidance is included in the Inheritance Tax Manual[3].

8.5 Further guidance will be published on GOV.UK[4].

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A Tax Information and Impact Note[5] covering this instrument was published on 26 November 2025 as part of the Budget and Finance Bill publications. It remains an accurate summary of the impacts that apply to this instrument.

[1] Technical Note: https://www.gov.uk/government/publications/inheritance-tax-on-pensions-technical-note/technical-note-inheritance-tax-on-pensions
[2] Pensions Tax Manual: https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual
[3] Inheritance Tax Manual: https://www.gov.uk/hmrc-internal-manuals/inheritance-tax-manual
[4] Further Guidance: www.gov.uk/money/pension-scheme-administration
[5] Tax Information and Impact Note: https://www.gov.uk/government/publications/inheritance-tax-unused-pension-funds-and-death-benefits/inheritance-tax-unused-pension-funds-and-death-benefits

Impact on businesses, charities and voluntary bodies

9.2 This measure is expected to have a significant impact on certain businesses, in particular professional personal representatives and pension scheme administrators. This impact is expected to arise as they will be required to provide specified information and comply with new reporting requirements. These requirements build on existing obligations under SI 2006/567 and are intended to operate alongside current administration processes.

9.3 The legislation is expected to have a negligible impact on small or micro businesses, as the requirements apply principally to pension scheme administrators and insurance companies, which are generally not small or micro businesses. No specific action is proposed to minimise the impact on small or micro businesses (employing up to 50 people).

9.4 The basis for this decision was because Finance Act 2026 applies, without regard for the size of the business (pension scheme).

9.5 The impact on the public sector is expected to be primarily for HMRC, which will incur costs to implement changes to systems and processes required to support the new reporting and information sharing requirements.

9.6 Public sector pension schemes will also be affected where they are required to comply with the new obligations to provide information in relation to pension death benefits.

9.7 Public sector bodies acting as personal representatives may be affected where they are responsible for administering estates within scope of Inheritance Tax, including taking on additional responsibilities in relation to reporting and paying the tax.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 This instrument will be monitored through ongoing engagement with the pensions industry and Inheritance Tax stakeholders. This will include established stakeholder forums and communications, such as the pension scheme newsletters.

10.2 This instrument does not include a statutory review clause. This is because the measure relates to the provision of information and reporting requirements in connection with the administration of Inheritance Tax and it is not considered appropriate to include a statutory review provision given the technical nature of the changes.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 These regulations are the first to be made under the power in section 218B of the Inheritance Tax Act 1984, introduced by Finance Act 2026.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").