



PASA GUIDANCE

DC Governance

July 2018

DC Governance Guidance

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1. Introduction

1.1. Why do we need this Guidance?

The focus of Defined Contribution (DC) pension schemes governance has often previously been based around fund strategies and performance. With an outdated idea that schemes are straightforward and 'run themselves', much like a bank account with money in and money out. Though it has not received as much attention, the standard of administration in DC governance is vital.

The Pensions Regulator (TPR) has turned its focus to administration governance and recognises the increased risk to members of poor DC administration.

“Good governance is the bedrock of a well-run pension scheme and there is a clear link between good governance and good fund performance. It is not a ‘nice to have’ but an essential part of effective scheme management – for all schemes.”

The Pensions Regulator

The PASA Standards were put in place as an outcome-based guide to what good administration should look like, covering all types of pension scheme. However, there are some challenges and issues unique to DC arrangements. PASA believes there is a need for additional DC specific administration Guidance.

Good DC administration is not simply the responsibility of scheme administrators. Oversight and governance is at three levels – the administrator/provider, the employer and (for trust based schemes) trustees. Regular communications and input from the scheme's employer and trustees are required to make sure:

- processes are holistic and effective
- members are engaged
- data is good
- issues are identified quickly to avoid the need for rectification
- reporting is clear, informative, and understood by all parties.

This document provides guidance and instructions for all stakeholders involved in the DC administration process.

DC is on the rise, with more choice of the type of arrangements available. Group DC arrangements such as Group Personal Pensions (GPPs) and Master Trusts have led to confusion for some employers in terms of defining responsibilities and rights to access certain information. What belongs to the employer and what belongs to trustees? Where do employers' responsibilities end and where do the administrators'/trustees' start? This is a key area in the Guidance aiming to alleviate this confusion.

The arrival of automatic enrolment has led to a whole new market of employers appointing a pension provider, often for the first time. Many of these employers won't have a team dedicated to pensions. We hope this Guidance will provide a useful resource on what is expected from all parties in the administration process, specific to their pension arrangement type.

Clear, useful and informative administration reporting is essential for good DC Governance. All stakeholders need to understand the content of the reporting and be able to identify what is essential, what is useful and what is a 'nice to have'. More importantly, robust and relevant Service Levels Agreements (SLAs) need to be established by all parties. Clearly defined reports let the administrator, employer and trustees spot any service issues quickly.

PASA invited key individuals from across the industry with wide ranging DC skills to form the DC Governance Working Group (DCGWG). The Group agreed five areas of focus; Data, Transitions, Decumulation, Reporting, and Controls and Procedures. The Pensions Regulator (TPR) was a welcome observer, keeping a close eye on the group's findings as they developed.

1.2. Why is good governance important?

In any DC scheme there are several elements interacting with one another. For the scheme to work, all these elements need to work too. This means smooth running of the scheme becomes inherently complex. A single element failing can result in a scheme being unable to successfully administer a member's benefits to the expected standard.

Good governance can help mitigate this risk by providing a stable base, and a common understanding of what is expected from each of the respective elements, and how they interrelate. A good governance structure should provide a robust safeguard to the scheme, so it can deliver good member outcomes.

The DCGWG has identified processes we believe should be the minimum standard as 'Compliance' and labelled processes improving on this as 'Good'. The fundamental benchmark for Compliance is not limited to regulatory compliance. But includes the minimum we would expect to protect member interests to a level trustees, employers and members would naturally expect. Compliant processes are acceptable, but we would like to see you showing evidence you are striving for better.

1.3. How to use this Guidance

We hope you find this Guidance clear and easy to use.

The Guidance is split into five areas of focus which overlap and interlink, as detailed in the contents. You can read the sections individually if you have a particular area of interest, or it can be read as one document. We have taken particular care to ensure each section relates back to the various different types of DC pension scheme – both trust and contract based. As well as identifying the three stakeholders involved in the governance of DC administration – the administrator, employer and trustees. Whatever part you play in running a DC scheme, we believe this Guidance will help you.

We hope this first release of DC Guidance will be well received and useful to all involved in the governance of DC administration. We intend to refresh the Guidance and build on the areas, adding hot topics identified by our members and the industry. We welcome any feedback and assistance you would like to share with us.

Kim Gubler / Michael Watkins
Board Sponsor / Chair
July 2018

DISCLAIMER

While this document sets out detailed guidance with the intention of providing a framework for good DC scheme governance, it should only be considered as guidance.

The content of this document is an addition to the PASA standards and should be read in conjunction.

2. Data

2.1. Data and record keeping

Good member outcomes need pension schemes to hold good data and keep high quality records. Good data is vital in pension schemes delivering good member outcomes.

TPR expects good records to be kept by trustees, managers and providers of pension schemes. If they don't they can be fined. All pension schemes need to check the accuracy of their data regularly and correct any issues. To ensure trust based schemes are held to a high standard they are required to measure and report on the quality of their data on the annual scheme return. There is no explicit reporting for contract based schemes.

What is data?

Data is either personal (common data) or financial (scheme specific).

Personal data needs to be provided to ensure you can correctly identify a member, whereas financial or scheme specific data is required to run your pension scheme accurately and effectively. This will vary from scheme to scheme and will depend on many factors including scheme type, structure and the administration system used.

Why we need good data

Correct data is needed for good member outcomes. Online self-service access means members can see their data 24/7 so it needs to be right.

Good data lets you invest contributions quickly, reconcile units and pay member benefits. It may also lower administration costs, improve service levels and provide accurate management information reporting.

The employer needs to agree the data required and the frequency of provision with the provider / trustee:

- What's required from the employer?
- Where's the data coming from? – payroll, HR systems, Flex system
- What's the format of data – providers are generally less flexible around content and format.

Early engagement is the key. How often is the data required? – daily, weekly, monthly, quarterly, annually.

Set a timetable built around the availability of data i.e. payroll dates / employer processes.

Auto-Enrolment rules mean the employer needs to keep more types of data. Guidance note 5 and 9 set the minimum level of data which the employer should hold to meet auto enrolment legislation.

- Guidance note 5 <http://www.thepensionsregulator.gov.uk/docs/detailed-guidance-5.pdf> and
- Guidance note 9 <http://www.thepensionsregulator.gov.uk/docs/detailed-guidance-9.pdf>

The Pensions Dashboard will need correct data to produce accurate information for members.

What does good data look like?

Good data is correct, complete and up to date.

Examples of good data:

- National Insurance number for member matches HMRC's records (when providing a Real Time Information (RTI) submission).
- Contribution amount received matches the expected amount, based on contribution structure and salary. Units purchased reconcile with amount received.

For examples of the data needed and checks which could be carried out to ensure it's accurate, please see the section 'Examples of Data'.

What does bad data look like?

Bad data can be either or both out of date and inaccurate.

Examples of bad data:

- Address held for member. But, the last communication was returned with the comment 'addressee gone away' and the address hasn't been updated
- A member selected a new fund choice for future contributions. But it wasn't updated on the administration system. The latest contribution was invested based on the member's previous instruction

The consequences of poor record-keeping

Poor record-keeping can result in members receiving the wrong benefits or a delay in paying benefits.

DC schemes can have a large number of transactions over a short time, making the likelihood of record keeping errors more possible.

Poor data threatens the confidence in and credibility of employers, trustees and administrators. Mistakes are costly to rectify and can lead to members losing trust in you.

2.2. Questions Trustees/Employers should ask to ensure the right data is held

Question	Comments
What data should I be providing?	Has the provider clearly outlined the data that they require? You need to get clear guidelines and requirements from the provider at the beginning of the implementation.
How good is the quality of our pension scheme data?	Is your data up to date? Data can get out of date very quickly. Has it been loaded correctly to the member's pension record? Ensure the quality of the data is being reviewed regularly - mistakes are costly to fix.
Is there any data missing?	Do you know? Are there any reports that you can run? If not ask your administrator to run and provide you with a data quality report.

Question	Comments
How do we ensure the data remains complete and accurate?	Do you know what validation checks/reports are run? Are the checks sufficient? If data is regularly being flagged as incorrect, what action is being taken? Is there a problem with 'say' the monthly data upload files?
How often is data updated?	Depending on the answer is that sufficient? Constantly monitoring and updating data can be a full-time role. Can you afford to not update/monitor on a regular basis. Out of date data can lead to incorrect investments and benefit payments, leading to additional costs in correcting errors. Missing data can lead to members suffering financially due to market movements/delayed payments. The sooner any errors are spotted the easier and cheaper it is to correct. Administrators often charge for corrections when they not at fault.
Is it clear who is responsible for obtaining, providing and maintaining the data?	Has this been established at the outset? This is often more than one person/party. It can be helpful to map this out and share with all parties.
Do members know the importance of keeping their personal data up-to-date?	Members need to keep up to date with any change of member status or address Do your members know this? Do you remind them to look at their data?
Is it easy for members to check and update their own personal data?	Can members view their details online? Do they look?
Is there a formal action plan to correct / update data?	If it's not possible to correct/update member data straightaway because you don't know the correct data or there isn't time to make the updates, do you have an action plan to correct the data and is your plan reasonable? Who is responsible for ensuring the plan is completed?

2.3. Member Data Lifecycle

At each stage of the member data life cycle it's important for it to be complete and up to date.



1. Scheme implementation / New members

When implementing a scheme, a large volume of data is loaded into the administration system. Robust data checks/validations need to be undertaken to check it is loaded correctly. When setting up a new member(s) checks need to be undertaken at the time of joining or data transfer.

Incorrect data at scheme implementation/take on, or when a member joins will lead to ongoing issues during the lifetime of the scheme.

2. Mid-year changes in personal circumstances / details

Examples of common changes

- Marital status
- Name change
- Date of birth correction (which can lead to investments changing if in a lifestyle investment strategy)
- National Insurance number correction
- Address change
- Salary change
- Contribution category / amount change
- Investment change - existing and / or future contributions
- Change of selected retirement age
- Change of hours/temporary absence (sickness / unpaid absence / maternity / paternity leave etc.)

3. Investment changes / Leaving employment / Benefit payment requests

- Member fund switches
- Lifestyle investment switches due to reaching an age trigger
- Fund closure / restructure
- Transfer / Retirement / Death / Divorce

4. Annual Salary review / Scheme Renewal

- Annual salary review. Is the pay rise backdated? Does the next contribution payment file reflect this?
- Scheme Renewal
- Annual Member Benefit Statement / Statutory Money Purchase Illustration

2.4. Who controls the data?

Data is controlled and processed by different parties at different stages. It's important to understand where the responsibilities and access lie. This is key under the General Data Protection Regulation (GDPR).

Employer

You (the employer) are responsible for the base data:

- Personal data needs to be accurate and up to date
- Pay details need to be correct
- Contribution amounts need to be stored accurately in % and £ terms
- Contribution amounts need to be deducted accurately and on time i.e. no negative contributions
- The data needs to meet the common and scheme specific data requirements

Any changes in data should be passed to the provider regularly, either automatically via a Changes File or by the usual method used to exchange monthly data.

Important changes are:

- Contribution amounts
- Marital status
- Address changes
- Non-pensionable absence periods

Aside from any GDPR obligations, your responsibility for the data ends at the point it is passed to your administrator or provider and validated. You may be able to request some types of data for active staff, but these requests must be reasonable and must be compliant with GDPR.

Once an employee leaves your employment, you no longer have the right to ask for their data.

Trustees

The employer passes their payroll and HR data over the appointed administrator. Once the administrator receives the data, you (the trustees) are responsible for its usage, security and accuracy. Queries relating to active members can be referred back to the employer.

You need to ensure the employer provides the correct data to meet the common and scheme specific data requirements.

You shouldn't release data on former employees (and current employees in certain circumstances) back to the employer unless there are clear grounds for the request.

Contract provider

The employer will pass their payroll and HR data over to the contract provider / insurer (you). Once you have received the data from this point on you are responsible for its usage, security and accuracy. Queries relating to active members can be referred back to the employer.

The employer has no rights on the individual's personal or pension data once it has been sent to you.

2.5. Data Security

Anyone holding personal data and pension administrators must maintain information security policies and procedures to address the following:

- **Organisation** – Data identification, categorisation, ownership, regulations and communication
- **Staff** – Staff vetting, contracts, training and discipline
- **Physical security** – Securing premises and physical documentation
- **System security** – Access controls, authentication, authorisation, malware, networks and secure communications
- **Suppliers** – Contracts, due diligence and oversight
- **Business continuity** – Facilities, staff, data backups and disaster recovery
- **Incident management** – Identifying, reporting and assessing security incidents
- **Compliance** – Validation of adherence to regulations, policies and procedures

Administrators should be aware of information security guidance issued by the Information Commissioner's Office, the Financial Conduct Authority, the Open Web Application Security Project and TPR.

Administrators could consider achieving the Information Security Management Standard ISO 27001 certification.

Having controls in place should ensure member data is kept secure which to help guard against fraud and adhere to data protection law.

2.6. Transferring Data Securely

Data needs to be sent between parties, such as a pension provider or administrator. Data should be sent via a secure method and only to recipients authorised to receive this data in compliance with GDPR. Where possible it should be sent via a secure web portal. Email should only be used if it can be encrypted, sent in a secure manner and can only be read by intended recipients.

Before emailing data, check the following points:

- Who is the data being sent to?
- Is there a valid reason for transferring the data?
- Has the transfer been approved by the data controller?

What do good data processes look like?

The DCGWG has identified processes we believe should be the minimum standard of 'Compliance'. Processes improving on this level are labelled simply as 'Good'. The fundamental benchmark for Compliance is not limited to regulatory compliance. But includes the minimum we expect to protect member interests to a level trustees, employers and members should naturally expect.

Definition	Compliant	Good
<p>Providing member data to another party in a secure way.</p>	<p>Where email encryption is not in place, member data is emailed in a password protected attachment.</p> <ul style="list-style-type: none"> • Member data is not contained within the body of the email. • Check the body of an email which you are replying to or forwarding and remove any unnecessary member information before sending. • If sending an unencrypted email with a password protected attachment provide the password to the recipient via a different medium, e.g. a phone call. • The password should never be within the body of the email being sent. 	<p>When sending an email containing member data it should be encrypted using a 'gateway to gateway' protocol, which establishes a secure encrypted tunnel over the internet. Once set up, all emails will be secure and unreadable whilst in transit.</p> <p>Examples of commonly used email encryption are Transport Layer Security (TLS) and Pretty Good Privacy (PGP).</p> <p>Good also includes directly uploading member data via a secure web portal.</p>

3. Decumulation

3.1. Why do we need Standards for Decumulation? *(even if we don't offer flexible options from within the scheme?)*

The proof of the pudding for members is how much they can rely on their DC savings at retirement. Trustees, employers and administrators go to great lengths to ensure good value for members during the accumulation phase of pensions. Why let all that good work go to waste by allowing inefficiencies to creep in just as members need to access their DC pots? If you do offer flexible options from within your scheme, it's even more important your processes are robust and protect members' interests.

How do they help you?

If you are a trustee, then the Standards help you to demonstrate you meet regulatory requirements. Importantly, they give you appropriate questions to ask your administrators and any third-party providers involved in the retirement process. There are many different benefit formats at retirement, any of which are potentially appropriate for a member, depending on their circumstances. Understanding the processes used will also help you refine your member communications.

If you are a scheme sponsor or an employer, your members will not fall at the last hurdle and they are more likely to be able to retire comfortably. Now there is no longer a legal default retirement age, it's important members properly understand the options available to them as they approach retirement.

If you are an administrator, it can be complex dealing with members - who have a tendency to change their minds on timing and format of benefits. It can be equally difficult dealing with any third-party providers. Having clear allocation of responsibilities and properly documented processes will allow you to meet member (and trustee) expectations. That will make life significantly easier for everyone.

3.2. Consequences of poor processes and controls

Trustees and administrators should agree on processes and controls in advance, with a proper level of understanding of the detail and implications. If not, it's almost certain to lead to problems later on.

What do good DC decumulation processes look like?

The DCGWG has identified processes we believe should be the minimum standard of 'Compliance'. Processes improving on this are labelled simply as 'Good'. The fundamental benchmark for Compliance is not limited to regulatory compliance. But includes the minimum we expect to protect member interests to a level trustees, employers and members would naturally expect.

Caveats and overlaps

Some requirements are driven by policy decisions outside the control of administrators. You can only administer as per the Trust Deed and Rules of a relevant scheme. Therefore, some of the functions considered below will not be appropriate to all scheme types.

Administrators sometimes take responsibility for creation and issue of member communications. If so, these standards should include relevant criteria beyond mere availability and accuracy of data. Otherwise administrators are only responsible for that data. Death benefits (or divorce) do not fall within the decumulation stream, but they should not be ignored.

We considered other areas of overlap, at least at a high level. For instance, what happens if a member takes some or all of their benefits but continues as a member of the scheme (whether contributing or not)? Even if they cease to be a member, if they continue to be an employee, they have a legal right to re-join (opt back in to) an Auto-Enrolment scheme in most circumstances. Ensuring procedures are efficient, cost effective and compliant is likely to be the administrator's responsibility even where third parties contribute to the process. The full implications of GDPR compliance are likely to take time to emerge (e.g. whether privacy notices to nominated beneficiaries are required). But in practice, the market is expected to develop industry norms for compliance with GDPR.

3.3. Key Metrics

Administrative function	Good	Compliant	Why you're asking the question - Effect on Member outcomes
Project controls			
Initial and ongoing	Pro-active management of responsibilities on a regular basis	Clear identification of responsibilities between scheme stakeholders (administrators, investment managers, consultants, advisors, in house service providers and trustees)	Early is better – don't let the perfect be enemy of the good
Data control			
Cross reference against employee data for accuracy as appropriate	Check all required data in place 5 years prior to Normal Retirement Date (NRD). Even better would be prior to any lifestyle switching period.	Check all required data in place at NRD or on member request. Data list: <ul style="list-style-type: none"> ● Name ● National Insurance No (NINO) ● Other unique identifier ● DoB (and note evidence) ● State Pension Age (calculated from DoB) ● Pensionable Earnings ● Total Earnings ● Scheme eligibility criteria ● Other beneficiaries' data ● Address (note country of residence now affects taxation of benefits) ● Annual and Lifetime Allowance data ● Any Protections in place (including Protected Lump Sums) ● Email address ● Phone number ● Bank details (if not transferring to an alternative authorised scheme) 	Confidence in security, accuracy and accessibility

Administrative function	Good	Compliant	Why you're asking the question - Effect on Member outcomes
Note outstanding GDPR questions		Particular note of sensitive member data (e.g. health repayment before age 55)	Third party data transfer must be GDPR compliant for member security
Identifying member eligibility			
(Evidence of) Age, Scheme rules, health, policy value, Annual Allowance (AA) certificate	Identify members at least one quarter in advance of regulatory requirements	Identify members in time to meet regulatory requirements	Minimise member uncertainty
Calculating potential benefits			
Subject to legislation and Scheme rules		Calculating protected lump sums as applicable	Facilitate informed decisions
	Notify member and ask for details of other benefits at least one year in advance	Noting previous lump sum payments	Ensuring accurate payments and reducing delays at retirement
		Noting divorce orders	Ensuring accurate payments and reducing delays at retirement
	Estimating benefits prior to eligibility including future contributions		Helping members assess their options
	Estimate comparison of benefits if decumulation is deferred		Helping members assess their options
Timing of communication of member options			
	Directing to other guidance as available.	Directing member to Pension Wise on request of decumulation information	Facilitate informed decisions
	"Warm up" communication issued earlier than prescribed regulatory period – ideally at least five years earlier	Communication issued within prescribed regulatory period	Helping members assess their options
Media for communication of member options			
	At least two different regulatory approved methods used (or two plus, for example, member presentations)	At least one regulatory approved methodology used	Maximise effective cover of communications

Administrative function	Good	Compliant	Why you're asking the question - Effect on Member outcomes
Content of communication of member options			
	Access to full suite of guidance on all available options. Additional elements might include, for example, explanation of tax issues on death benefits	Regulatory required disclosure	Minimise need to seek further information
		Warnings issued re potential implications for members of Money Purchase AA.	Helping members assess their options
	Readability checks on all member communications. e.g. target a readability score on the Flesch-Kincaid Grade level of around 8-9, depending on who the communication is aimed at		Maximising member understanding
	Campaign for Real English, Quality Mark		Maximising member understanding
	Continuous improvement sought by using member feedback on readability/ usefulness of communication		Maximising member understanding
Dealing with final period contributions			
	Final period's contribution held as cash	Procedure clearly documented	Allow earliest access following "retirement"
Transfer to decumulation pot			
All cases		Define 'plan Bs' for when processes fail (e.g. volatile markets, unavailability of fund prices on a given day, or death of member mid-process)	Minimise member cost and risk
If external		Check receiving scheme authorised / anti scam checks	
	Disinvesting in time to meet member expectations	Disinvesting when final contribution received	

Administrative function	Good	Compliant	Why you're asking the question - Effect on Member outcomes
Transfer to decumulation pot (cont'd)			
	Transfer in specie or by re-registration of units		
If internal	Transfer by re-registration of units	Same day transfer /reinvestment	
AA monitoring /certificates			
	Communications issued to members as they approach AA, including any previous AA certificates. Pro-active communications could also be issued to members over age 40 on fund value, AA and scope for future contributions. <i>(Whilst this is clearly a communication issue rather than administration, it impacts on this area.)</i>	Use of AA recorded and certificates issued as per regulations	Do not allow over contributions without members understanding the consequences. Give members information early enough to facilitate effective planning
OPTION DEPENDENT – these will depend heavily on Scheme Rules			
No options other than transfer (inc annuity)	Wider communications, signposting to advice as well as PensionWise	Regulatory requirements	
UFPLS & transfer	Wider communications, signposting to advice as well as PensionWise	Regulatory requirements	
UFPLS, Drawdown & transfer		Wider communications including regulatory requirements	
Continued investment	Wider communications, signposting to advice as well as PensionWise	Noting MPAA implications. Managing internal record controls (e.g. is a second member record required?)	

4. Controls & Processes

Good administration can make for better outcomes for your pension scheme members. TPR is placing greater focus on good governance and administration plays a significant role in this.

Well documented administration processes which are diligently followed support good governance. They can make sure there's consistency and continuity if administration teams change. They can prevent bad habits being perpetuated and they give a standard measure to measure compliance and procedures against.

4.1. Why we need controls and procedures?

PASA believes documented procedures and controls are the foundation for accuracy and consistency of service. They can help us comply with the law, pensions regulation, and scheme rules. Providers must demonstrate their processes are clearly defined, maintained and subject to review. Administrators must show procedures are being followed and they're taking action where there's non-compliance. Importantly, controls and procedures are the practical link between your aspiration and reality. Getting them right means you can deliver on your promises.

How do they help you?

If you are a trustee, controls and processes help you demonstrate you're meeting your regulatory duties, and you take them seriously. You can shape the way your scheme is run and you can improve standards. These ultimately make for better outcomes for your members and they're a chance for you to make a difference.

If you're a scheme sponsor, an employer or a trustee, you need to be comfortable there's a clear framework of administration standards to follow. Ultimately, you're responsible for the quality of the scheme you run and you are playing a part in the financial health of the members in your care. Having clear controls and procedures can give you peace of mind and protect your organisation from the consequences of things going wrong. And the cost of providing a poor service is often higher than providing a good one.

If you're an administrator, it can be difficult to interpret what the rules mean and, particularly, how they apply to you and your job. Having things documented, with expectations set, can give you clarity and can save you time. Often, it's clear *what* we need to be doing, but figuring out *how to do it* can be more challenging. These guidelines help you put some structure around the rules and give you practical guidelines to make your life easier.

Consequences of poor processes and controls

Poor processes and controls can result in scheme members being put at a disadvantage, for example, receiving the wrong benefits or delay in paying their benefits. It can also lead to an increase in administration costs. A large number of transactions and processes take place for a DC scheme. When something goes wrong, rectification is complex and time consuming. Poor processes and controls also threaten the confidence and credibility of the trustees and administrators, leading to loss of trust and reputational damage.

What do good DC processes look like?

The DCGWG has identified processes we believe should be the minimum standard as 'Compliance'. Processes improving on this level are labelled simply as 'Good'. The fundamental benchmark for Compliance is not limited to regulatory compliance, but includes the minimum we expect to protect member interests to a level trustees, employers and members would naturally expect.

The following list is not exhaustive or definitive. We encourage you to use your own common sense and take account of your existing standards, processes and procedures. However, if you're audited by PASA, these will be the standards by which you're measured.

The DC process and control standards have been categorised below, and should be considered in addition to the existing PASA Standards on Operational Controls and Procedures <http://www.pasa-uk.com/system/files/3%201%20Operational%20Procedures%20Final%20April%202016.pdf>.

1. Dealing with Errors and Complaints
2. Rectification
3. Member Data Quality
4. Key Data Changes
5. Measuring Data
6. Payroll Collection and Contributions
7. Switching
8. Investment Transactions
9. Reconciliations
10. Out of Market Controls

4.2. Dealing with Errors and Complaints

Errors and Complaints can create circumstances leading to the potential risk of financial exposure for you and your members, or loss of your reputation.

Complaints are any expression of dissatisfaction, whether written or oral, justified or not, relating to the provision of, or failure to provide, a service. They can be aimed at trustees, employers or administrators.

An error is any incorrect processing of a transaction (including delays) leading to potential financial loss to a member and can include, but is not limited to:

- Incorrect benefit options given to members, resulting in members making the wrong choices at retirement or on transfer
- Failure to disinvest units to settle benefits when initially instructed by the member
- Failure to invest contributions in accordance with a member's instructions
- Incorrect information included in a member's annual benefit statement

	Compliant	Good
Process	<p>A framework for defining, measuring and reporting errors</p> <p>Errors are noted and rectified within the framework</p> <ul style="list-style-type: none"> ○ Log and acknowledge the complaint ○ Rectify any error ○ Accept responsibility ○ undertake a root/cause analysis <p>For occupational pension schemes this should include an Internal Dispute Resolution Procedure process for escalated complaints.</p>	<p>Administrators will need to demonstrate that there is a process for early detection of errors.</p> <p>Errors are noted and quickly rectified and handled with care to deliver a satisfactory outcome for the client, member and trustees</p> <p>Learning points are identified and acted upon to reduce the risk of the same error reoccurring in the future. There should be a consistent lowering of errors</p> <p>Complaints are acknowledged within at least 2 working days of receipt; progress updates are provided to the complainant every 10 working days until resolution (by telephone or e-mail).</p>
Reporting	<p>Error rates should be reported to the trustees and include a trend analysis.</p> <p>Error rates can be calculated as follows:</p> <p>number of errors identified in a reporting period/cases processed in the same period i.e. 10 errors reported and 250 cases processed = 0.04 error rate or 4%</p>	<p>Administrators should evidence errors are analysed and where arising from a system failure, show corrective action has taken place to reduce future instances.</p> <p>Details of member complaints should be included in monthly reports to trustees, including the outcomes of the complaints, and financial re-dress offered/accepted, and the findings of the root/cause analysis.</p>

4.3. Rectification

Rectification, at both an individual member and process level, is designed to make sure members are not financially worse off as a result of an error or oversight. It is generally carried out by the administrator, even if the error was not the administrator's fault.

The administrator should be able to provide evidence its own errors are analysed regularly. Where errors happen repeatedly, or common themes are identified, action should be taken to change working practices or processes to make sure they don't happen again. Where the error arises from a process triggered by the trustees or employer, a similar review should take place. The following are aimed at administrators:

	Compliant	Good
Process	<p>Administrators will be expected to demonstrate they identify and measure errors.</p> <p>Every effort should be made to make sure that the rectification places members in a position where they are not financially worse off as a result of the error or oversight.</p>	<p>Common themes are identified and action is taken to correct errors.</p> <p>'Root cause analysis' is used to reduce the risk of errors happening again. 'Root cause analysis' aims to uncover the <i>reasons</i> for the errors rather than simply correcting an error after it has happened</p> <p>Trustees and sponsors should be told that rectification has taken place and that members are not financially 'worse off' as a consequence of the error or oversight.</p>
Reporting	<p>Error rates should be reported to trustees or the employer.</p> <p>Trustees or employers should be made aware of any errors or omissions as soon as possible after they have been identified.</p>	<p>Administrators should provide written evidence that errors are analysed and that action has taken place to reduce the chances of similar errors happening again</p>

4.4. Member Data Quality

To ensure member data quality, the administrator should periodically carry out processes to validate the quality and completeness of data held for each member. See DC Data and Record Keeping Standards, further information is available via the following links:

Record-keeping guidance at: www.tpr.gov.uk/guidance-record-keeping

DC code of practice at: www.tpr.gov.uk/code13

DC guide to administration at: www.tpr.gov.uk/admin

	Compliant	Good
Process	<p>Administrator generates quarterly reports to identify absent or incorrect Common and Conditional data and takes appropriate corrective action.</p>	<p>Administrator generates monthly reports on the outcome of their data quality controls for all DC data.</p> <p>If any data is identified as absent or likely to be incorrect it should be corrected at first available opportunity, and the employer/member made aware of the correction.</p>
Reporting	<p>Monthly reports on quality of member data, including trends.</p>	

4.5. Key Data Changes

Administrators must have a documented Data Management Policy evidencing data security and integrity and compliance with GDPR. Key data changes should only be made using documented controls and procedures. Change control processes should be set up to ensure process changes are only effective once fully tested and signed off, and there's a full audit history of any data changes.

Processing any change to member or scheme data leading to one, or more of:

1. A need to amend member fund holdings
2. Affecting the ability to provide correct member benefits
3. Affecting the ability to contact a member

Data changes can be provided by trustees, employers or members. Examples of scheme data changes include changes to lifestyle investment strategies and replacement of specific investment fund choices. There must be clear audit trails enabling trustees / employers to be assured data is complete and accurate, transactions are being actioned promptly and correctly and transactions are accurately recorded in member records.

	Compliant	Good
Process	<p>Documented and version-controlled procedures.</p> <p>Maintenance and managed version control of releases and procedures are evidenced.</p> <p>Clear audit trails of changes made to all data.</p> <p>Minimum DC Data should be specified in the Data Management Policy.</p>	<p>Change control processes should be set up to ensure changes are only made live once processes have been tested and signed off.</p> <p>Continued annual publication of an AAF report (audit and assurance reporting) and the administrator respond and rectifies the qualifications within the report.</p> <p>Data change procedures are updated or reviewed at least annually. Changes are applied to member records within two working days of valid data being received (and any subsequent investment transaction is then processed in the line with Investment Transactions).</p>
Reporting	<p>Documented evidence of the audit procedures and controls.</p>	<p>Results of internal and AAF quality investigating are reported to trustees.</p> <p>Monthly reports of data amends processed, analysed by data field/type including volume of validation errors.</p>

4.6. Measuring Data

The administrator should be able to articulate the value it delivers by demonstrating and evidencing the performance of its administration. The administrator should check they hold data in all the fields expected. They will check consistency, carry out validation and specific process checks.

	Compliant	Good
Process	The administrator generates quarterly reports to identify absent or incorrect Common and Scheme Specific data and takes corrective action.	Administrator generates monthly reports on the outcome of their data quality controls for all DC data. If any data is identified as absent or likely to be incorrect it should be corrected at first available opportunity, and the employer / member made aware of the rectification.
Reporting	Administrator's internal controls updated with confirmation the control reports have been generated and any rectification has taken place. An improvement plan should be put in place to resolve any recurring issues.	Administrator also reports to trustees / employer on a quarterly basis. All parties involved are able to gauge whether commitments are being met. Clear reporting will highlight where and how improvements are required

4.7. Payroll Collection and Contributions

Quality and timeliness of contribution data and payments are essential. This includes the collection of employer and member contributions to the scheme bank account, investing the contributions and recording contributions and units allocated against each member's record.

	Compliant	Good
Process	The contributions should be collected by the due dates set by the scheme provider or trustees and no later than 22 nd of the following month. They should be recorded against each member's record. Ideally data should be received via secure portal which is compliant with GDPR. Invest contributions within three working days and allocate units to member records. For auto-enrolled members, ensure they are given one month during the opt-out period when the contribution is not invested, but once the one month opt-out period has expired, invest their contribution within three working days to avoid out of market holding. Contributions	Contributions to be recorded on each member's record. Invest contributions within three working days using an electronic interface with Investment Fund Manager such as API (Application Programming Interface) and allocate units to member records. Unit reconciliation to be completed at end of monthly cycle. A Contribution Processing Agreement is in place with the employer/trustees outlining roles and responsibilities.

	<p>for members who opted out in the one month opt-out should be returned to the employer.</p> <p>Administrator undertakes all required reporting and communication to TPR, employer or trustees and members where contributions are paid after the legislative date.</p>	
Reporting	<p>Administrator reports on the timeliness and quality of data received, and the nature of validation queries raised and period of time taken to resolve</p> <p>Administrator should escalate any concerns to the trustee or employer as and when an incident occurs</p> <p>Administrator reports monthly on payrolls processed including details of volume of errors referred back to employer and dates when payroll file(s) were processed</p>	<p>Administrator also reports on specific issues encountered with a specific location or source of data and reports on proposed or planned changes to the quality of data to be provided, working with the employer on an efficient and streamlined approach.</p>

4.8. Switching

DC switching includes Member and Scheme/Plan investment changes and redirections. The switching of unit holdings between funds and or fund managers whether as part of a lifestyling strategy or member choice. Processing of automated investment switches in-line with scheme/plan lifestyle investment matrices.

	Compliant	Good
Process	<p>Member investment change requests are actioned and submitted to investment manager within 3 days of receipt</p> <p>Scheme wide investment changes such as lifestyling, implementation of new default investment options, fund switches/replacements and transitions should be carried out within agreed timescales</p> <p>Switch the funds as quickly as possible, ensuring member records are updated to record switch</p> <p>Reconcile units on completion of switch</p> <p>Lifestyle switches/rebalances are triggered 3 working days in advance of</p>	<p>Member investment change requests are actioned and submitted to investment manager within 1 day of receipt</p> <p>A Trustee Services Letter is put in place outlining roles, responsibilities, agreed timescales, out of market periods and blackout periods (where no investments may be made) for any bulk switch activities</p> <p>Where the scheme investment managers have adopted the ViaNova standard. An electronic interface with Investment Fund Manager (such as Straight Through Processing (STP)) is used to speed up switch cycle</p>

	the 'trigger date' and processed in line with investment transactions	<p>Switch the funds as quickly as possible using STP where available to prevent out of market loss</p> <p>Reconcile units on completion of switch</p> <p>Lifestyle switches/rebalances are triggered 1 working day in advance of the 'trigger date' and processed in line with investment transactions</p>
Reporting	<p>Individual member requests and scheme lifestyle rebalance/redirects should be reported as part of the agreed services standard reports in the Administration Report.</p> <p>Confirm all lifestyle switches due in each month have been correctly processed</p>	<p>A report should be submitted following any scheme investment changes, providing confirmation of amounts switched, volume of members included and whether agreed timescales were met</p>

4.9. Investment Transactions

DC investment transactions are the processing of investment deals (buy, sell and switch) with scheme investment managers.

	Compliant	Good
Process	<p>Investment instructions given to the investment manager within 3 working days of the request and receipt of the necessary data.</p> <p>Investment changes are carried out within timescales that are agreed with the trustees/employer.</p>	<p>Investment instructions given to the investment manager within 1 working day of the request and receipt of the necessary the data.</p> <p>Where the scheme investment managers that have adopted the ViaNova standard, investment instructions are processed using STP.</p> <p>An Investment Processing Agreement is in place for every investment-related project. This will outline the timescales, and out-of-market and blackout periods, and will be signed-off by employer/trustees.</p>
Reporting	<p>Details of any investment transactions processed outside of the target 'working days' to be reported on every month.</p>	

4.10. Reconciliations

The administrator fund holdings must reconcile with those of the investment manager, at both a scheme and member level. DC bank account holdings should reconcile with administrator cash analysis, and DC payments and receipts have been settled / invested within TPR Guidelines.

Poor processes and controls can result in scheme members receiving the wrong benefits or delays in investing their contributions or paying their benefits. It can also lead to an increase in administration costs. A large number of transactions and processes take place for a DC scheme. When something goes wrong, rectification is complex and time consuming.

Poor processes and controls also threaten the confidence and credibility of the trustees and administrators and could lead to reputational damage.

Some common mistakes made when remitting and reconciling monthly contributions are:

- Employers paying negative contributions for individuals which cannot be allocated and delay investing the contributions for all members
- Delays with the employer submitting the contributions schedules to support the receipt. This in turn delays the investment of the contributions
- The amount received is not tested for reasonableness, resulting in contribution errors not being detected

	Compliant	Good
Process	<p>The administrator should have processes for reconciling the DC unit holdings and the DC bank account. This should take place every month end</p> <p>Complete reconciliation on a regular basis, but at least every month. The reconciliation must cover every step of the process, namely:</p> <ul style="list-style-type: none"> • Contributions received • Allocation of contributions to members • Assessing reasonableness of contributions at member level to be at least within 10% of expected contributions • Allocation of units at member level • Reconciliation of contributions and units at scheme level and agreement to units held by fund managers 	<p>The administrator makes weekly (or even daily) reconciliations of both unit holdings and bank accounts (frequency depending on volume of transactions processed in that period) and investigates and rectifies any discrepancies</p> <p>The administrator undertakes month end DC bank account reconciliation and cash analysis. This is to make sure all payments and receipts have been settled or invested within TPR's guidelines</p> <p>A comprehensive historical record is maintained to enable a full audit of transactions, if called upon</p>
Reporting	<p>The administrator's internal controls are kept up to date to confirm the control reports have been done and any rectification has taken place</p>	<p>An improvement plan is in place to resolve any recurring issues</p> <p>Monthly reporting on the internal controls which includes details of the fund and bank account reconciliations</p>

4.11. Out-of-Market Controls

Out-of-market procedures and processes control limit the amount of time a contribution or portion of a member's fund is not invested. This may follow a payment, such as a contribution or a request to move funds from one pension scheme to another, or from one fund to another. Controls are particularly important when moving funds from one investment manager to another. Out of market controls are about managing the potential financial impact on members during these periods and making sure risks and processes are communicated to the members affected.

	Compliant	Good
Process	<p>Out-of-market funds are typically invested with managers within 3 days of receipt of the money for individual member transactions. It may take longer were the receiving fund is not daily priced</p> <p>Bulk transactions will be subject to different service levels (SLAs) and trustees/employers are to be aware of the out of market period and the options to reduce this risk, such as prefunding the investment</p> <p>There is a documented process for managing out-of-market risk that adheres to agreed SLA timescales</p>	<p>Out-of-market funds are invested with managers within 1 day of receipt for individual member transactions</p> <p>Prefund bulk transactions to reduce the out-of-market period</p> <p>An electronic interface with Investment Fund Manager is used to speed up disinvestment or investment process</p> <p>When it's not been possible to meet the SLAs, an explanation of the circumstances surrounding any delay should be given, together with agreed actions to mitigate any future delay</p>
Reporting	<p>Requests to investment money, disinvest it or switch it should be reported as part of the agreed services standard reports in the Administration Report. This will report against SLAs and highlight where they haven't been met</p>	<p>When it's not been possible to meet the SLAs, this must be reported upon</p>

5. Management Information (MI)

TPR states “It's important that trustees ensure their pension scheme delivers good outcomes for members' retirement savings, whether it is a scheme offering defined benefit (DB) or defined contribution (DC) benefits.”

So how do you approach this key task? One way is to ensure the relevant MI is available to you. Only by having the right information will you know if the pension scheme is delivering good member outcomes.

5.1. What is MI?

MI is any management information which helps you make informed choices on the design and day to day running of pension schemes and to assess the usefulness of what's being provided.

What's important to one person or organisation may not be as important to another. There is no one size fits all approach.

Why we need good MI?

MI helps you check you're delivering good member outcomes. You can check members benefits are being set up correctly and on time, and the right information is available for the Chair's Statement. It's important your provider is able to provide the correct MI you need when you need it.

What is good MI?

Good MI is data you can rely on, it's provided when you want it in the format you want and you understand it.

What is poor bad MI?

Poor MI is data that doesn't meet your needs and provides a limited range of information at a frequency solely decided by your provider.

The consequences of poor MI

Poor MI may mean member data is incorrect; the wrong benefits are paid or paid at the wrong time. Poor MI may mean problems aren't detected by you, leading to increased costs and bad member outcomes.

Who is entitled to see MI?

Different types of MI are available to different groups and for different types of schemes, this table is focused on a trust-based arrangement, contract-based arrangements would have different set of criteria.

Before asking for MI it's important to consider whether you are able to see this particular data. Below are a couple of examples of where MI is typically available for one stakeholder and not another:

Process	Data	Administrator	Trustee	Employer/Pensions Manager
New entrant process	Number of new entrants over a period	Yes	Yes	Yes
	Names of all new entrants over a period	Yes	No	No
	SLA details regards processing new entrants	Yes	Yes	No
	Member complaints	Yes	Yes	No for details of individual complaints but yes if it is reporting on the number of complaints
	Number of new entrant packs/letters breaching regulatory deadline	Yes	Yes	No
	Number of incomplete new entrant forms/records on bulk upload file	Yes	Yes	Yes
Contribution processing	Contributions invested within 1 days of receipt	Yes	Yes	Yes
	Contributions received late (after 19 th of the following month or 22 nd if paid electronically)	Yes	Yes	Yes
	Investment options selected	Yes	Yes	No

5.2. Questions you can ask

Possible questions	Types of data that may be available	
	Compliant	Good
Do you have enough information to check your contributions are invested correctly and on time?	Date received, amount received, amount invested by manager, date invested	Rejected contributions
Are you able to monitor joiners, leavers, retirees and deaths in your scheme adequately?	Quarterly governance reporting. Regular MI received along with an annually reconciled member movement report	Direct access to extract this information online including trend analysis. Quarterly reconciled member movement report
In what form are members taking their benefits?	Tax free cash sum (TFCS), uncrystallised funds pension lump sum (UFPLS), flexi-access drawdown, transfer out (partial / full, crystallised / uncrystallised, UK / overseas), annuities	Age at benefit crystallisation
How confident are you that your data is correct and complete?	Common and scheme specific data scores, rectification plans to achieve the minimum standards set out by TPR. Report run and reviewed at least annually. Rectification plan in place and being actively worked on	To cleanse all data Report run more frequently than annually
What information do I need to understand how members are accumulating funds?	Contribution rates, AVCs, single contributions, transfers in	Investment returns
What information is available to inform you about members' investment choices?	Switches, unit prices, number of members in the default fund	Direct access to extract this information online
How can I be satisfied a switch of investment manager has been successfully completed?	Transition report detailing the total investment at start, unit price history, total investment on conclusion of the switch, duration of black out period	
How do I know contributions are invested on time and in a timely manner?	Quarterly contributions schedule. Date contributions received, split employee, employer date invested	
What information on the funds' investments are available?	Investments with each manager, unit price history, number of members via investment manager, total expense ratio (TER)	Direct access to extract this information online

Possible questions	Types of data that may be available	
	Compliant	Good
What data is available for you to determine the overall member experience?	SLA's, number of complaints, disclosure breaches, error rates, how does your provider determine what a complaint is, end to end processing time	Net Promoter Score (NPS) Member surveys
How much can I rely on the information provided by the administrator?	Quarterly reporting of key scheme events	Direct access to extract information online and in the required format
Do you get sufficient financial data?	Management accounts, cash flow analysis.	Real time reporting via online access to bank account giving visibility to cash flow management.
Can you monitor enrolments/re-enrolments?	Details of all new members and opt outs.	Direct access to extract this information online.
How effectively are you monitoring the administration?	Backlogs and length of time in backlog, SLA's, complaints, work in progress reports, trends as well as snapshots – to illustrate volumes of work and how the membership and assets are developing over time.	Direct access to extract this information online, including error rates.
Can you monitor rectification projects?		
How much information is available to support the DC Chair's statement	Promptness of the 'financial transaction stage' of individual member processes, Fund Manager TER and transaction costs, VFM analysis covering the 6 areas identified by TPR.	
How can you tell if your communications with your members is working?	Have a Communications Plan and monitor the volume of responses received to each communication.	Website MI including member contact levels and member activity levels.
Member borne charges	Regularly monitor TER and transaction costs.	Direct access for managers and members to view this information online.
Member preferences/views re investment choices	Is this captured? If so how?	To enable members to register an interest in alternative investment funds if not available for selection.

6. Transitions

Good member outcomes need pension schemes to hold good data and keep high quality records.

TPR expects good records to be kept by trustees, managers and providers of pension schemes. If they don't they can be fined. Pension schemes should check the transition of scheme data is safe and accurate to ensure the ongoing maintenance of records and good member outcomes.

6.1. What is a Transition?

A transition is the handover of pension scheme administration between administration providers, internal migrations to new administration platforms within the same organisation, or consolidation of pension schemes into one arrangement. This guidance covers all types of transitions of DC pension schemes.

The key focus of this document is on scheme data. Data is vital to all transitions, but is particularly important for DC schemes given the potential volume of individual member transactions to be considered. See also the PASA DC Data and Record Keeping Standards, and further information is available via the following links:

- Record-keeping guidance at www.tpr.gov.uk/guidance-record-keeping
- DC code of practice at www.tpr.gov.uk/code13
- DC guide to administration at www.tpr.gov.uk/admin

What is a good transition?

Correct and secure transition of data is needed for good member outcomes. It may also lower administration costs, improve service levels and provide accurate management information reporting. To ensure a good transition interested parties should consider the following:

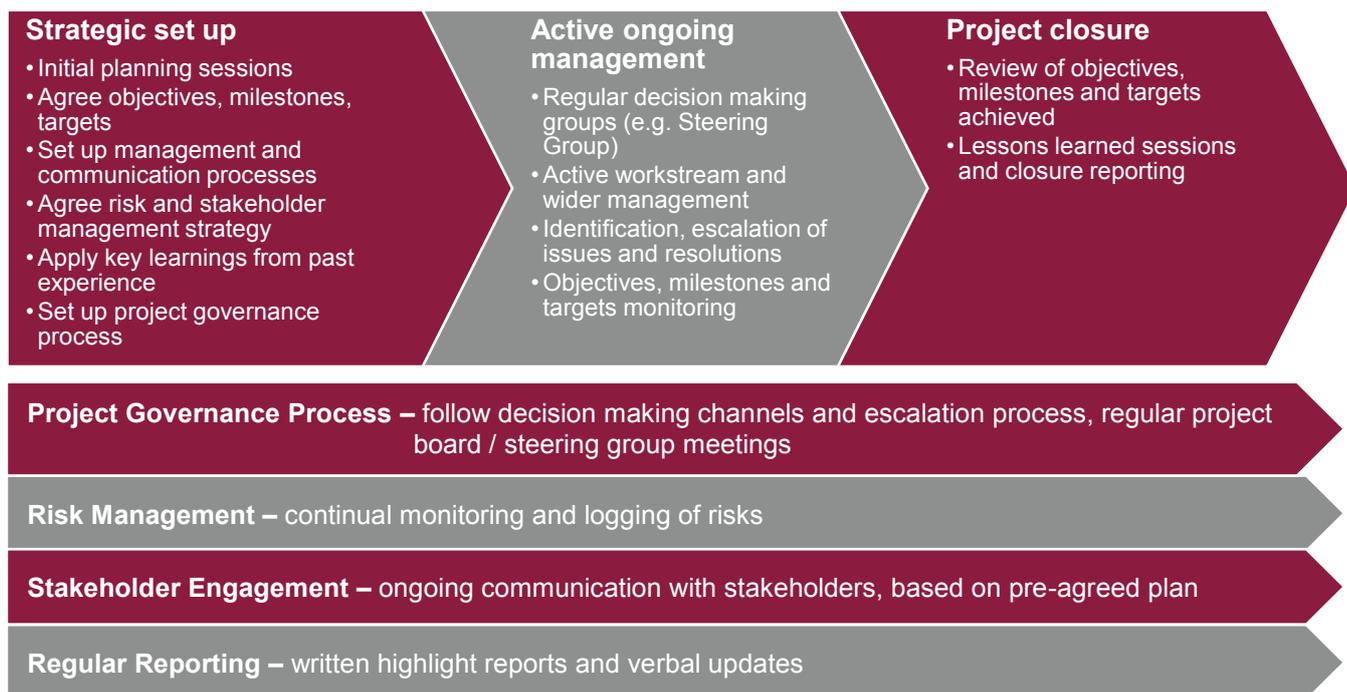
Employer / trustee

You should appoint an independent specialist to project manage the transition, allowing providers to concentrate on the successful and timely transfer of data.

You should be provided with regular transition progress updates and be made aware of any potential issues or areas that require escalation. A report highlighting the following will help you establish whether the transition was successful:

- Date transition completed
- Membership numbers transferred/reconciled
- Reconciliation of units transferred
- Reconciliation of bank account transferred
- Rectification plan outlining any potential data cleanse required

Planning for a successful transition should include the following:



Administrator

In addition to the employer / trustee points noted above to carry out a good transition you should include:

- A test plan for calculations and processes
- Reconciliation of data throughout
- Data and scheme information transferred within agreed timescales

A good transition allows you to confidently administer member benefits from day one following transition. This includes quick investment of contributions, reconciliation of units and settlement of member benefits.

More detail to enable a good transition can be found in the sections below.

Consequences of a bad transition

A poor transition can result in members receiving the wrong benefits or a delay in paying benefits. It can also lead to increased administration costs.

Due to the large number of transactions in a DC scheme, there is a likelihood of record-keeping errors which can be expensive to correct.

Poor data threatens the confidence and credibility of the trustees/administrators and could lead to loss of trust and reputational damage.

6.2. DC Transitions in detail

The following sections provide more technical detail on areas which are key to a successful transition for project managers and administrators, and include:

- Planning your transition
- Technical Migration
 - Data Definition
 - Data Transfer
 - Data Mapping
 - Data validation and cleansing
 - Test plan
 - Reconciliation
 - Questions project leads should ask
 - Appendix A – Sample project plan
 - Appendix B – DC Specific Validations

Planning Your Data Transition

A number of activities have to be considered and planned to support the technical transition of the data:

Task	Description
Project management	<ul style="list-style-type: none"> ● Set up working group meetings to track transition progress (weekly / fortnightly meetings). ● Ensure that the correct personnel are in attendance at these meetings for a smooth and efficient handover and queries can be answered quickly
Prepare a handover plan	<ul style="list-style-type: none"> ● Cover the handover between the providers and agree how any in-flight work items will be dealt with over the handover period ● Agree with trustees or employer when last contributions will be invested by ceding administrator. Carry out a shadow investment in new administration system test environment to ensure investment splits agree with live data received
Agree blackout period	<ul style="list-style-type: none"> ● Allow for investment deals to be completed so the units held against each member or policy are known at the point of the go-live transition
Scheme set up and standing data	<ul style="list-style-type: none"> ● Configuration of lifestyling or other phased switching routines, fund platforms or STP set up ● Obtain assumptions for fund projections and benefit statements ● Set up member and fund management charging if applicable ● Banking and financial management
Contracts / agreements / signatory lists	<ul style="list-style-type: none"> ● Set up investment managers/bank accounts and contracts with any other third parties e.g. annuity brokers, group life insurers
Retirement process	<ul style="list-style-type: none"> ● Establish options available and annuity broking process in place (if required)
Handover of paper files and microfiche	<ul style="list-style-type: none"> ● Arrange in advance to be received in time by the new administration provider
Infrastructure	<ul style="list-style-type: none"> ● Ensure appropriate functionality and capacity to support transition testing and the production transition
Data deletion or archiving from source systems	<ul style="list-style-type: none"> ● Agree data retention policy on handover
Member website	<ul style="list-style-type: none"> ● Set up online Member Access logins (if applicable) and timely communications of the website registration process details to members
Communications	<ul style="list-style-type: none"> ● Identify if any bespoke member communications are required for ongoing administration. It's good practice to inform the members

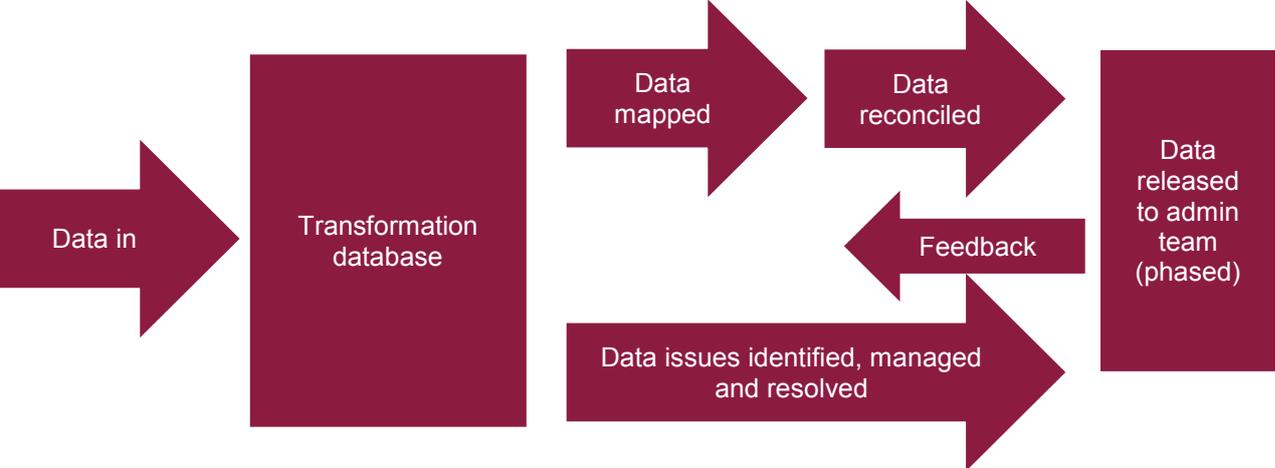
	so they know this is happening and when, especially if there are going to be blackout periods and changes to online access
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It's critical the right people are working on the right aspects of the project at the right times to the success of the transition. The engagement of the ceding system supplier and forward agreement of their commitment is key. But this needs to be accompanied with the optimum level of skills and resource from the administration area affected by the transition.

It's also important the new system supplier is equally engaged from the start of the transition. All parties should be committed to attend project meetings and calls throughout the process. Appropriate escalation of issues needs to be agreed in advance in case key project resources are not available when they're needed. There's a Model Project Plan in **Appendix A** of this section which captures the activities and trigger points to help understand what tasks are expected in a typical project lifecycle and in which sequence they should happen.

Technical Migration of the Data

Once the transition project plan and tasks have been agreed, the transition of scheme data can begin. The sections below provide some guidance to assist with the successful transition and mapping of data from one administration provider and system to another. The diagram below shows a typical cycle of data being transferred, mapped and reconciled, with queries raised being referred to the ceding provider. This cycle can take place several times before the data received is satisfactory.



Source Data Definition

All elements of source data should be transferred to the new administrator as part of the transition. These can include the following:

Task	Description
Identify all data sources	<ul style="list-style-type: none"> At the outset investigate, define and agree all sources of data required to be in scope of the transition. It's key all sources holding administrative data are disclosed. Including Excel spreadsheets or other sources storing information the previous provider's administration system couldn't accommodate
Data Extracts & Format	<ul style="list-style-type: none"> Provide extracts of all the member data and files held on the source systems including the full history of contributions and investments The source data should be delivered in a full and complete format and it can be worked upon by the receiving administrator. Data queries must be answered promptly by the previous administrator

Images & Documents	<ul style="list-style-type: none"> • Images and electronic files held by the previous administrator will need to be extracted from the source systems or folders. An index of the extracted files must be supplied to the receiving administrator. • Transfer of paper files/member backfiles and images should be identified and agreed at outset • Provision of Trust Deed and Rules and all subsequent amendments and appendices, scheme booklet/member handbook (if there is one), so work can commence on establishing a scheme benefit summary
Data Dictionary	<ul style="list-style-type: none"> • A data dictionary detailing what's contained within the extracted files must be supplied with the data extracts and it should include all the code translations used in the data
Reconciliation	<ul style="list-style-type: none"> • The extract should be accompanied by control totals which can be reconciled against containing row counts and totals of all numeric fields and membership numbers

Data Transfer

To ensure the secure and successful transfer of data the following should be considered.

Task	Description
Data Transfer & Security	<ul style="list-style-type: none"> • Data transferred between pension providers must be transferred securely. A secure File Transfer Protocol (FTP) site should be used and the data should be encrypted or password protected using a separate data encryption program • The passwords and/or encryption keys should never accompany the data and it's good practice to provide the password to the recipient via a different medium, e.g. a phone call • Data queries should only be exchanged via secure FTP, encrypted emails or in a password protected attachment • Images can often be sent by disc due to size of file. FTP may not accommodate all types of data transfer, but data must be transferred securely

Data Mapping

Data mapping is the process of creating data element mappings between two distinct administration systems.

Task	Description
Specification	<ul style="list-style-type: none"> • The receiving administrator should prepare a comprehensive data mapping specification covering the detail of how the source data will be translated into the new administration platform • The mapping document should capture the following information: <ul style="list-style-type: none"> ○ Source to Destination field mapping ○ Destination to Source field mapping ○ Code translations for scheme categories and member statuses and miscellaneous code translations to cover other coded fields that will use a different set of codes e.g. Titles, in

	<p>particular in relation to DC transaction histories (contribution types, funds etc.)</p> <ul style="list-style-type: none"> ○ All business rules for data derivation and substitution ● The migration analyst preparing the specifications should have access to Scheme Rules, scheme benefit summaries and member booklets to ensure the scheme benefits are understood and correctly interpreted in the implementation onto the new system
Full Data Extract	<ul style="list-style-type: none"> ● It's best practise to migrate the full contributions and investment histories to the destination system (as opposed to only loading rolled-up opening balances) in order to be able to check historical transaction records if the client or members have queries about past contribution and transaction history ● Any source system data not suitable for the destination system will require a suitable solution for storing or archiving in an accessible for the new administration team.
Review of Mapping	<ul style="list-style-type: none"> ● The mapping specification should be reviewed by an expert on the scheme's benefits (could be either internal or an external person such as the Pensions Manager or a scheme consultant) resulting in initial sign-off of the document

Data Validation and Data Cleansing

To maintain good quality of data it's important to validate the data extracted from the source system is of sufficient quality to be loaded onto the destination system. The following validation activities should be carried out:

Task	Description
Analysis	<ul style="list-style-type: none"> ● Analysis of the data should be performed at the outset to look for inconsistent or missing data items to ensure the data is complete and accurate ● The review of the data should include any validation or cleansing of member data (e.g. names, titles, NI Numbers, payroll references, policy numbers, Date of Births, Retirement Dates, etc.) ● For DC pay particular attention to contribution and investment transaction areas. A list of DC specific data validations to perform as part of a Transition is in Appendix B of this section ● The extract of images and electronic files should also be checked to ensure indexes have been provided for all files and all files listed in the index have been extracted from the source. ● All agreed pre-transition data cleansing activities must be executed in a timely manner
Cleanse Plan	<ul style="list-style-type: none"> ● Where it's been established data is missing or incorrect, a cleanse plan should be drawn up to capture all identified data cleanse requirements. The plan must be used to record the priority and approach to be taken to address any data exceptions

Test Plan

A structured test plan must be agreed and executed on a suitable test environment to ensure the quality of the transition process. The plan should cover following areas of the transition:

- Data implementation
- Access to historic images and electronic files provided by the previous provider
- Processing of employer/payroll interfaces – contribution files and data changes
- Contribution investment process
- Lifestyling and other phased fund switching routines
- Any bulk and routine activities, including:
 - Joiners
 - Leavers
 - Decumulation
 - Retirement approach
 - Lifestyle approach
- Routine Calculations
 - Member Fund values
 - Transfer
 - Retirement
 - Switching
- Projections and benefit statements
- Identify any bespoke calculation requirements e.g. Special retirement ages, protected tax-free cash

Reconciliation and Assurance

Data received by the new administrator should be reconciled so totals agree with the ceding administrator before any record keeping changes are made to the data, and administration of the scheme commences. The following activities should take place:

Task	Description
Report	<ul style="list-style-type: none">● A full and robust reconciliation report should be produced accounting for all data and member movements. Membership numbers should be reconciled with the ceding administrator on take on● The report must demonstrate all data has been reconciled at each step of the transformation from the source data to the destination system, to remove the chance of corruption or erroneous manipulation
Discrepancies	<ul style="list-style-type: none">● The reconciliation process should cover counts and summations across all data items and tables. Where discrepancies exist, a full explanation must be provided with a breakdown of the exemptions
Unit Holdings	<ul style="list-style-type: none">● For DC schemes it's essential a reconciliation is performed of the total number of units held by the investment managers with the units imported for members and trustees at the point of take-on● Ceding administrator should provide an explanation of any inherited unit differences to be carried forward and rectified
Scheme Bank Account	<ul style="list-style-type: none">● The ceding administrator should provide a breakdown and explanation of the trustee bank account balance on transfer, identifying any funds to be settled or invested

6.3. Questions project leads should ask:

Question	Comments
Has anyone else in the Industry achieved a successful migration to this system previously?	Lessons learned from other organisations when they completed similar transitions should be key when commencing a project. You should look to gain as much useful information as possible to aid the design of your own project.
How are you going to phase your migration?	Are all of your members going to be migrated in one go or are you going to phase the migration? There are benefits in phasing the migrations as you can learn lessons from the 1 st phase to the last, but it does increase the amount of work required.
How do you gain commitment from the key stakeholders?	Don't assume everyone is as on board with the project as you are. You need to gain commitment to the entire project up front and have all parties, including ceding and new system supplier's sign up to the end to end project deliverables and timescales. You also need an escalation process if this commitment doesn't materialise.
Do you need external help?	Do you need to engage an industry expert to help your migration or do you have the resources, expertise and track record to deliver this internally? There are organisations that manage transitions as Business as Usual that could be critical to the success of your project.
What are the main things that can go wrong?	This is a long list, but you need to pay particular attention to the ability of your ceding system supplier to provide the data and data definitions. You also need to ensure your key administration experts are on hand to ensure the data mapping is done within the scheme and product rules, and within the prescribed timescales. Don't under-estimate the amount of time it will take to understand the structure of the data within the old system and then to covert this into the new system.
How important is testing and acceptance?	Absolutely critical, there have been transitions where the data has been mapped perfectly from one system to another, but the testing and acceptance of the data and post transition processes was insufficient and this had a significant impact on the post-transition administration capability, so make sure you test and test again.

6.4. Guidance on DC Pension Scheme Transitions

This guidance covers all types of transitions of DC pension schemes and is applicable to the handover of administration between different pension administration providers or internal migrations to new administration platforms within the same organisation.

The key focus of this document is on scheme data. Data is vital to all transitions, but is particularly important for DC schemes given the potential volume of individual member transactions to be considered.

Source Data

- Identify all data sources. At the outset investigate, define and agree all sources of data required to be in scope of the transition. It's key all sources holding administrative data must be disclosed

including Excel spreadsheets or other sources that store information the previous provider's administration system couldn't accommodate

- Provide extracts of all the member data and files held on the source systems including the full history of contributions and investments
- Images and electronic files held by the previous provider will need to be extracted from the source systems or folders. An index of the extracted files must be supplied to the receiving provider
- The source data should be delivered in a full and complete format which can be worked upon by the receiving provider. Data queries must be answered promptly by the previous provider
- A data dictionary detailing what's contained within the extracted files must be supplied with the data extracts and it should include all the code translations used in the data
- The extract should be accompanied by control totals which can be reconciled against containing row counts and totals of all numeric fields
- Transfer of paper files/member backfiles and images should be identified and agreed at outset
- Provision of Trust Deed and Rules so work can commence on establishing a scheme benefit summary

Data Transfer

- Data transferred between pension providers must be transferred securely. We recommend a secure FTP site is used and data is also encrypted or password protected using a separate data encryption program
- The passwords and/or encryption keys should never accompany the data and it is good practice to provide the password to the recipient via a different medium, e.g. a phone call
- Data queries should only be exchanged via secure FTP, encrypted emails or in a password protected attachment
- Images can often be sent by disc due to size of file. FTP may not accommodate all types of data transfer, but data must be transferred securely

Data Mapping

- The receiving provider should prepare a comprehensive data mapping specification covering the detail of how the source data will be translated into the new administration platform
- The migration analyst preparing the specifications should have access to Scheme Rules, scheme benefit summaries and member booklets to ensure scheme benefits are understood and correctly interpreted in the implementation onto the new system
- The mapping document should capture the following information:
 - Source to Destination field mapping
 - Destination to Source field mapping
 - Code translations for scheme categories and member statuses and miscellaneous code translations to cover other coded fields that will use a different set of codes e.g. Titles, in particular in relation to DC transaction histories (contribution types, funds etc)
 - All business rules for data derivation and substitution
- It's best practise to migrate the full contributions and investment histories to the destination system (as opposed to only loading rolled-up opening balances). This means historical transaction records can be checked if the trustees or members have queries about past contribution and transaction history
- Any source system data not suitable for the destination system will require a suitable solution for storing or archiving in a format accessible by the new administration team
- The mapping specification should be reviewed by an appropriate expert on the scheme's benefits (could be either internal or an external person such as the Pensions Manager or a scheme consultant) resulting in initial sign-off of the document

Data Validation and Data Cleansing

In order to maintain good quality of data it is important to validate the data extracted from the source system is of sufficient quality to be loaded onto the destination system. An analysis of the data should be performed at the outset of the transition to look for inconsistent data or missing data items.

This review of the data should pay particular attention to areas such as the following:

Data Item	Type	Check	Exceptions
Contribution History	Missing Contributions	Missing intervals or pay periods depending on payroll frequency (weekly/monthly/two-weekly/four-weekly etc.)	
	Outstanding Contributions	No contributions received in the last contribution period for a regular contribution source with open contributions rates	Members not active
	Transfer in contributions	DC transfer in not reflected in contribution table	
Contribution Rates	Duplicate Contribution Rates	More than one open contribution rate per contribution source	Members not active
	Contribution rates relevant to section of scheme	Ensure contribution rates on record relevant for section of scheme member in, e.g. auto enrolment sections	
	Contribution rate relevant to member age band/scheme service	Are contribution rates age/service related? Check to ensure member in correct band	
Fund Balances	Balance check	Sum of investment history does not equal stored unit balance	Systems that don't hold a separate data set with the current unit totals
	Closed Funds	Unit balance in Closed or Defunct funds	
	Exits with remaining units	No liability or Exit status with remaining unit balances	Partial retirements
	Lifestyling	Lifestyling members with units in non-lifestyling funds	Systems that allow partial lifestyling
	Missing Contribution History	Members with fund balance but no contribution history	
	Negative unit balances - check 1	Negative unit balance (check 1) - investments grouped by Fund	

Data Item	Type	Check	Exceptions
Fund Balances	Negative unit balances - check 2	Negative unit balance (check 2) - investments grouped by fund and contribution source (EE/ER/AVC) (Check 1 may miss the scenario where there are positive and negative balances in different contribution types but the overall fund balance is positive)	
	Inherited issues	Any inherited data issues should be highlighted at outset and unit differences maintained. Action plan should be put in place with the client to resolve any known issues.	
	No investments	Active or preserved status without a unit balance greater than zero	Recent New Joiners or ongoing settlement at handover, e.g. death cases
	Target Dated Funds	Unit balances not consistent with Target Retirements Age	
Fund Choices	Closed Funds	Open investment allocation in Closed or Defunct funds	Members not Active
	Fund Choices Error	Investment allocation percentage not equal to 100%. Check all contribution sources	Members not Active
	Single Payments	Open investment allocation for Single or Transfer in contribution sources	Members not Active
	Lifestyling Members	Non-Lifestyling Investment fund choice for lifestyling member	Schemes that allow partial lifestyling
	Target Dated Funds	Fund Choices not aligned to Target Retirement Age	

Data Item	Type	Check	Exceptions
Investment History	Contribution Comparison	Investment history not consistent with contribution history - compare the value of contributions invested to the contributions received	Not all systems hold a separate contribution and investment tables
	Contributions before Start or after Leaving	Contributions outside of Date Joined Scheme and Exit Date	
	Fund Switches	Switch transactions where the value of units sold is not the same as the value of units bought	
	Incomplete transaction details	Check that the transaction contains all the appropriate information e.g. fund ID, contribution received date, investment date, amount invested, units purchased, contribution type and transaction type	Tailor to the requirements of the transaction types - not all transactions require all the fields to be populated e.g. charges, and work in progress
	Inconsistent Investment Date	Investment date before contribution received date	
	Inconsistent unit transactions	Buy transactions with negative units or sell transactions with positive units	
	Transfer in contributions	DC transfer in not reflected on investment table	
Lifestyling	Appropriate fund choices	Check investment choice percentages reflect the point reached on the lifestyling Matrix	
	Appropriate investments	Check member fund levels match the point reached on the lifestyling profile	
	Lifestyling Indicators	Inconsistent lifestyling flags - most systems hold lifestyling Indicators in multiple places, check the lifestyling information stored in different fields is consistent	
	Reverse switching not allowed	Switch buys in a fund which should not have any within the lifestyling period	Schemes where the investment strategy allow reverse switching during the lifestyling phase

Data Item	Type	Check	Exceptions
Scheme Fund Balances	Unit Reconciliation	<p>Check the unit balances against manager unit totals</p> <p>Ensure any non-member or Trustee units are correctly identified and accounted. An action plan to resolve any discrepancies should be agreed with client, as they may seek compensation for any loss to members from previous administrators.</p>	
	Cashflow reconciliation	Handover of scheme bank account, with breakdown and explanation of funds including benefits to be settled, amounts to be invested	

- A cleanse plan should be drawn up to capture all identified data cleanse requirements.
- The plan must be used to record the priority and approach to be taken to address any data exceptions
- All agreed pre-transition data cleansing activities must be executed in a timely manner
- The extract of images and electronic files should also be checked to ensure indexes have been provided for all files and all files listed in the index have been extracted from the source

Other Implementation activity

A number of other activities have to be considered and planned to support the transition which are in addition to the technical migration of the data and electronic files. These are:

- Project management working group meetings to track transition progress (weekly / fortnightly meetings). Ensure the correct personnel are in attendance at these meetings for a smooth and efficient handover and queries can be answered quickly
- Scheme set up and standing data – this covers configuration of lifestyling or other phased switching routines, Fund platforms or Straight Through Processing trading set up, obtain assumptions for fund projections and benefit statements, set up member and fund management charging if applicable, banking and financial management
- Contracts /agreements /signatory lists set up with Investment Managers / Scheme Bank accounts and any other third parties e.g. annuity brokers, group life insurers
- Retirement process agreed. Establish options available and annuity broking process in place (if required)
- Prepare a cutover plan to cover the handover between the providers and agree how any in-flight work items will be dealt with over the handover period. Agree with client (trustee / employer) when last contributions will be invested by ceding administrator. Carry out a shadow investment in test environment to ensure investment splits agree with live data received.
- A suitable blackout period must be agreed to allow for investment deals to be completed so the units held against each member or policy are known at the point of the go-live transition.
- Handover of paper files and microfiche if applicable must arranged in advance to be received in time by the new administration provider.
- Necessary infrastructure need to be in place with appropriate functionality and capacity to support transition testing and the production transition.

- Data deletion or archiving from source systems.
- Set up online Member Access logins (if applicable) and timely communications of the new registration process details to members.
- Identify if any bespoke member communications are required for ongoing administration

6.5. Test Plan

To ensure the quality of the transition process a structured test plan must be agreed and executed on a suitable test environment. The plan should cover following areas of the transition:

- Data implementation
- Access to historic Images and electronic files provided by the previous provider
- Processing of Employer/Payroll interfaces – contribution files and data changes
- Contribution investment process
- Lifestyling and other phased fund switching routines
- Projections and benefit statements
- Identify any bespoke Calculation requirements e.g. Special retirement ages, protected tax-free cash

6.6. Reconciliation and Assurance

- A full and robust reconciliation report should be produced accounting for all data and member movements to provide the assurance on the success of the data migration
- Reconcile membership numbers on take on
- The report must demonstrate all data has been reconciled at each step of the transformation from the source data to the destination system, to remove the chance of corruption or erroneous manipulation
- The reconciliation process should cover counts and summations across all data items and tables. Where discrepancies exist, a full explanation must be provided with a breakdown of the exemptions
- For DC schemes it is essential a reconciliation is performed of the total number of units held by the investment managers with the units imported for members and trustees at the point of take-on
- Ceding administrator should provide an explanation of any inherited unit differences to be carried forward and rectified

Appendix A - DC Transition Working Group - Model Migration Project Plan

Task Name	Duration
Model Migration Project Plan	180 days
Project Management	13 days
Project Planning	7 days
Create Project Plan	1 day
Create Risks and Issues Log (data & project)	1 day
Create Communications Plan	1 day
Create Test Plan	1 day
Prepare a cutover plan	1 day
Review project documentation	1 day
Sign off project documentation	1 day
Fortnightly Project Update Meetings	6 days
Project Updates 1	0.5 day
Project Updates 2	0.5 day
Project Updates 3	0.5 day
Project Updates 4	0.5 day
Project Updates 5	0.5 day
Project Updates 6	0.5 day
Project Updates 7	0.5 day
Project Updates 8	0.5 day
Project Updates 9	0.5 day
Project Updates 10	0.5 day
Project Updates 11	0.5 day
Project Updates 12	0.5 day
Business Readiness Activities	14 days
Identify if any bespoke member communications	1 day
Agree Retirement process	1 day
Training requirements for New Provider	1 day
Set Up Contracts/agreements/signatory lists/platforms with Investment Managers	2 days
Set Up Contracts/agreements/signatory lists/platforms with Scheme Bank accounts	2 days
Other third parties set up e.g. annuity brokers, group life insurers	1 day
Arrange handover of paper files and microfiche	1 day
Agree data deletion or archiving from source systems with Ceding Provider	1 day
Set up online Member Access logins	2 days
Communications of the change of administration to members	2 days

Technical Migration - Pre-Migration Tasks	5 days
Setup Activity	5 days
Obtain Scheme Rules and Trust Deeds	0.5 day
Identify all data sources in scope for transition (incl documents and images)	0.5 day
Provision of source system Data Dictionary	0.5 day
Obtain Decodes information	0.5 day
Details from System Control File from source system(s)	0.5 day
Establish Scheme set up and benefit configuration requirements (incl Fund mapping)	1 day
Details of any scheme specific validation checks prior to loading data onto Destination System	0.5 day
Schedule provision of source data Test cut	0.5 day
Schedule Provision of source data cut Live	0.5 day
Test Data Cut	90 days
Data Mapping	23 days
Create Scheme benefit summary	5 days
Create Data Mapping Specification & Perform Gap Analysis	10 days
Forward Remaining Mapping Queries for resolution	1 day
Scheme set up and benefit configuration	5 days
Data mapping specification review	1 day
Mapping document signed off	1 day
Data Preparation	6 days
Set Up Test Environment	2 days
Create Data Prep Template for Data Import process	2 days
Create Data Load Reconciliation Report Template	2 days
Data Analysis	9.5 days
Load Test data cut	0.5 day
Produce Control Totals and Reconcile with Data Received	0.5 day
Run Data Validation Queries and	1 day
Produce Detailed Analysis Report	5 days
Produce Cleanse Plans	1 day
Review of analysis results with Ceding Provider	1 day
Agree pre-transition data cleansing activities with Ceding Provider	0.5 day
Issue Data Analysis and Cleanse Plan Report to Client/Trustees	0.5 days
Technical Data Migration Set Up	40 days
Test cut	38 days
Create Migration Scripts	12 days
Finalise Set Up Schemes and functionality configuration	2 days
Run Migration Scripts	1 day
Reconcile Source to Destination Control Totals	2 days

Produce Reconciliation Reports & Exception Reports	1 day
UAT of test cut / raise & resolve queries	20 days
Test Migration Signed Off	0.5 days
Live cut	2 days
Live Data Received & Loaded	0.5 day
Run Migration Scripts	0.5 day
Reconcile Source to Destination Control Totals	0.5 day
Produce Reconciliation Reports & Exception Reports	0 days
Go-Live Release to client administration team	0 days
Sign off Migration	0.5 day

Appendix B – DC Specific Data Validations

Data Item	Type	Check	Exceptions
Contribution History	Missing Contributions	Missing intervals or pay periods depending on payroll frequency (weekly / monthly / two-weekly / four-weekly etc.)	
	Outstanding Contributions	No contributions received in the last contribution period for a regular contribution source with open contributions rates	Members not Active
	Transfer in contributions	DC transfer in not reflected in contribution table	
Contribution Rates	Duplicate Contribution Rates	More than one open contribution rate per contribution source	Members not Active
	Contribution rates relevant to section of scheme	Ensure contribution rates on record relevant for section of scheme member in, e.g. auto enrolment sections	
	Contribution rate relevant to member age band/scheme service	Are contribution rates age/service related? Check to ensure member in correct band	
Fund Balances	Balance check	Sum of investment history does not equal stored unit balance	Systems that don't hold a separate data set with the current unit totals
	Closed Funds	Unit balance in Closed or Defunct funds	
	Exits with remaining units	No liability or Exit status with remaining unit balances	Partial retirements
	Lifestyling	Lifestyling members with units in non-lifestyling funds	Systems that allow partial lifestyling
	Missing Contribution History	Members with fund balance but no contribution history	
	Negative unit balances - check 1	Negative unit balance (check 1) - investments grouped by Fund	
	Negative unit balances - check 2	Negative unit balance (check 2) - investments grouped by fund and contribution source (EE/ER/AVC) (Check 1 may miss the scenario where there are positive and negative balances in different contribution types but the overall fund balance is positive)	

	Inherited issues	Any inherited data issues should be highlighted at outset and unit differences maintained. Action plan should be put in place with the client to resolve any known issues.	
	No investments	Active or Preserved status without a unit balance greater than zero	Recent New Joiners or ongoing settlement at handover, e.g. death cases
	Target Dated Funds	Unit balances not consistent with Target Retirements Age	
Fund Choices	Closed Funds	Open investment allocation in Closed or Defunct funds	Members not Active
	Fund Choices Error	Investment allocation percentage not equal to 100%. Check all contribution sources	Members not Active
	Single Payments	Open investment allocation for Single or Transfer in contribution sources	Members not Active
	Lifestyling Members	Non-lifestyling Investment Fund Choice for lifestyling member	Schemes that allow partial lifestyling
	Target Dated Funds	Fund Choices not aligned to Target Retirement Age	
Investment History	Contribution Comparison	Investment history not consistent with contribution history - compare the value of contributions invested to the contributions received	Not all systems hold a separate contribution and investment tables
	Contributions before Start or after Leaving	Contributions outside of Date Joined Scheme and Exit Date	
	Fund Switches	Switch transactions where the value of units sold is not the same as the value of units bought	
	Incomplete transaction details	Check the transaction contains all the appropriate information e.g. Fund ID, contribution received date, investment date, amount invested, units purchased, contribution type and transaction type	Tailor to the requirements of the transaction types - not all transactions require all the fields to be populated e.g. charges, and work in progress
	Inconsistent Investment Date	Investment date before contribution received date	
	Inconsistent unit transactions	Buy transactions with negative units or Sell transactions with positive units	
	Transfer in contributions	DC transfer in not reflected on investment table	
Lifestyling	Appropriate fund choices	Check investment choice percentages reflect the point	

		reached on the Lifestyling Matrix	
	Appropriate investments	Check member fund levels match the point reached on the lifestyling profile	
	Lifestyling Indicators	Inconsistent lifestyling flags - most systems hold lifestyling Indicators in multiple places, check the lifestyling information stored in different fields is consistent	



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