



# PASA GUIDANCE

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PASA Experts for Data

Data

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# Data Guidance

Section	Content	Page
1	Introduction	1
2	Data quality dimensions	4
3	Data requirements for managing risk and meeting compliance requirements	8
4	Impact assessment	29
Appendix A	Case Study	30

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## 1. Introduction

The Pensions Regulator (TPR), in their guide to preparing a data improvement plan, says administrators, trustees, employers and providers should:

- understand their data
- be clear on what needs improving
- document what they will achieve by cleansing data
- have action plans in place to improve their data
- evaluate that expected benefits are being achieved

Being clear on objectives for any data cleanse activity, including the impact on member outcomes, the expected return on the time and budget invested, and whether expected benefits are being realised, are important elements of the plan. Understanding and articulating the objectives changes a cost to an investment and removes the focus from individual data items and instead helps to answer questions such as 'where is poor data impacting on member service', 'what is stopping me achieving a specific outcome', 'how do I improve quality or deliver my service more cost effectively' and so on.

There can still be good reasons why there's a need to focus on individual data items and the forthcoming introduction of the Pensions Dashboard is a good example of where this will be the case. Cleansing data for a specific purpose is still likely to contribute to achieving multiple objectives and it's important to recognise these opportunities and the potential benefits.

PASA has prepared this guidance to help trustees, providers, administrators and employers review the quality of their data and, where necessary, take action to ensure their data is meeting the needs of all stakeholders.

Having good data is an important aspect of the governance and risk management of any pension arrangement, but the planned implementation of pensions dashboard during 2019/2020 and, for some schemes, the need to implement GMP equalisation (and potentially conversion) highlights the importance of understanding and addressing data issues both in terms of completeness and accuracy now.

## Format of the Guidance

The guidance is divided into three sections as follows;

- **Section 1 - Assessment of data quality dimensions**

This section suggests a number of areas for you to consider. For the purposes of this guidance these are called 'data quality dimensions'. The list isn't exhaustive; there may well be requirements specific to your scheme, but this is designed to provide a useful starting point in terms of discussions between the administrator, trustees and the employer.

The section also details an approach you might take to assessing the quality of your data and highlighting which particular data items might be a barrier to you achieving your objectives. To help you, the guidance sets out some of the reasons why good data is important so you can ask your administrator whether data issues are preventing you achieving good outcomes in any of these areas. It's important to ask questions about aspects of your service such as compliance, the usability of data and the impact on member servicing and engagement.

- **Section 2 – Managing risk and meeting compliance**

This section focuses in more detail on some of the data items needed to ensure you're administering your arrangement in a way that helps to manage risk and meet compliance requirements. Investing time in improving the quality of data items may also contribute to future-proofing the scheme, e.g. in readiness for pensions dashboard. It's quite likely you've already reviewed the quality of some of these data items but ensuring completeness and accuracy is vital so there is still value in undertaking a comprehensive review to maximise the confidence of all stakeholders.

Trustees should also focus on whether there are data issues exposing the scheme to unnecessary levels of risk, for example missing data items that are either preventing calculation automation or from already automated routines working for some members.

As a minimum, TPR expects both common and scheme specific data items are reviewed annually and action plans are put in place to improve both completeness and accuracy of data where necessary.

To help you in your assessment, as well as listing the most commonly used data items, we have provided information on:

- Some common problems
- How you might identify these
- Some thoughts and ideas about cost effective data cleansing solutions
- How this will help and potentially create new opportunities to improve or enhance the administration service

The examples and suggestions provided aren't intended to be exhaustive or prescriptive; you and your administrator will know your own data, systems and what is achievable through automated solutions, the use of external suppliers or, where necessary, file reviews. You and your administrator will also be best placed to identify those data items such as special guarantees and special benefit promises specific only to your scheme.

- **Section 3 – Impact assessment**

This section is based on the data quality dimensions set out in section 1 and provides an impact assessment template which you can ask your administrator to complete, either independently or in discussion with you, so you have visibility of the data items impacting on the day to day running of your pension arrangement and/or the ability for you to achieve your strategic objectives and why they're important. You may wish to take this a stage further and consider, for example, the position in relation to your valuation for a DB scheme, ability to undertake de-risking activity or for compliance with TPR's Code of Practice 13 Governance and Administration of Occupational Trust Based Schemes Providing Money Purchase Benefits (DC Code). When completing this you should ensure you've captured any other objectives or data cleanse requirements specific to your arrangement.

### **Case studies**

As this guidance is designed to provide practical help, the appendix to this document contains a case study. This is intended to help in the planning and prioritising of data cleanse projects and to provide ideas and generate discussions about the process to be followed. It's not designed to be prescriptive as the needs of all schemes will be different. Further case studies will be added as this guidance evolves based on regulatory requirements, market best practice and feedback.

### **About this guidance**

This guidance has been produced by PASA and isn't designed to be prescriptive or reflect the circumstances of individual schemes.

## 2. Data quality dimensions

The introduction to this guidance sets out the importance of setting objectives and understanding the benefits to be achieved or return on investment (ROI) for undertaking data cleanse activity.

The ROI may or may not be financial. For example there may be greater cost certainty in terms of liabilities, or a more attractive price for buy out, but it's equally possible the outcome would be improved member servicing, ability to trace and pay benefits to more members, provision of a greater level of self-service functionality, and so on.

Understanding ROI helps set priorities and provides an opportunity to ensure the outcomes are evaluated and realised.

To help with this, set out below is a list of possible objectives designed to help get you started in terms of thinking about outcomes together with some suggestions as to why these might be important. The primary focus should be on good member outcomes – members receiving timely and accurate information to make informed decisions and to provide greater certainty the right benefit, will be paid to the right member, at the right time. Members need to have absolute confidence the data held is correct.

- **Compliance**

Compliance is an important aspect of running any pension arrangement. As mentioned previously there are a number of compliance issues trustees and employers need to think about currently, as well as having an eye on the future, particularly the introduction of the pension dashboard. It's also necessary to measure common and scheme-specific (formerly known as conditional) data as required by TPR and put in place action plans to improve data where there are known issues impacting on good member outcomes.

For DC schemes, the principles are broadly the same but with the additional requirement to comply with the DC code.

TPR expects trustees of all schemes to meet certain standards relating to specific data items. This covers all scheme designs such as DB and DC and applies equally to trust and contract based schemes.

- **Member engagement**

In this area the important question to ask is 'Does your data support the scheme's member engagement objectives'?

Considerations include:

- What does the Trustee want or need to communicate to various sections of their population?
- Is there a desire to increase the use of online functionality and potentially move to a position where the primary method of communicating is through e-comms?
- What are the contact preferences of members?
- Does your data support providing members with the level of information they need to make the right choices? As an example, is your data good enough to provide members requesting retirement figures with a cash equivalent transfer values (CETV) figure or, as a consequence of data issues, does this mean it would be a manual process and therefore not cost effective to achieve?
- Can I use data to understand the effectiveness of my communication strategy?
- Do we have current, reliable address details to enable us to contact members?
- It's a proven fact people are less likely to change their email address than postal address. Are email addresses on the database and, if not, are there plans to obtain these? If the scheme is open to new members, can these form part of the interface providing new joiner data?

Generally for communications to be engaging and have credibility they need to contain information specific to that member and the information needs to be correct.

- **Usability**

It's important to understand if there are aspects of your data creating an actual or potential risk to the correct calculation or payment of member benefits, or which may result in not paying the right benefit to the right member at the right time.

Data cleanse activity has the potential to increase automation levels across the scheme improving member service, administration efficiency and support improved management of risk.



Even if you're confident you have all the correct data, is it held in a way your provider or administrator can use this efficiently and effectively to minimise risk and provide the best level of servicing? For example, if there's a reliance on checking paper files or making adjustments to data prior to completing a calculation whether it's automated or manual it's highly likely the time required will be longer and this must introduce an element of delay. Until something actually goes wrong, often issues of this type are invisible to trustees or employers.

Delays and errors in the provision of information to members can be indicative of wider data problems and should be investigated, and findings and subsequent actions should be documented.

The efficiency of administration is becoming increasingly important. Pension freedoms have resulted in members routinely requesting CETV when they reach retirement. Missing or poor quality data, as outlined above, impacts on the ability to provide CETV which can lead to administration back-logs, a sub-optimal member experience and the potential loss of opportunity for schemes looking to manage liabilities.

Finally there are bulk exercises to be managed. For many schemes, dealing with GMP reconciliation and rectification as well as equalisation (and potentially conversion) will be necessary. Data will likely need to be reviewed for a large number of members to enable this work to be completed in a cost effective way.

- **Governance**

TPR expects all trustee boards to have a risk register and administrative issues including record-keeping should feature as part of the register. TPR also expects administration to form a substantive part of the agenda for trustee or trustee sub-committee meetings.

Aspects of risk needing to be reviewed include:

- Financial risk, such as the risk of fraud
- The extent to which poor data leads to the need for assumptions in valuations
- The risk of incorrect benefits being paid and;
- The reputational damage if inaccurate benefits are paid leading to member complaints.

Some of these risks are relatively easy to measure and some examples are set out below:

- Are there members who have passed their Normal Retirement Age (NRA) who haven't taken their benefits and, if so, why is this the case?
- When was the deferred member population last mortality screened?
- Are there members over age 75 and what do scheme rules say about members in this position?
- Do you have a late retirement rule for deferred members and if you do, are those members who have benefits in the scheme able to defer beyond a specific age e.g. age 75? HMRC requires a Benefit Crystallisation Event (BCE) test to be undertaken no later than age 75, sometimes on the assumption the member has no Lifetime Allowance (LTA) left, and any LTA charge due is paid promptly after the BCE date. Delays caused by an inability to contact the member, or poor benefit data, could lead to late payment penalties being levied by HMRC and adverse tax consequences for the member and scheme.

- **Strategic importance**

Many of the issues above relate to the 'here and now' but increasingly trustee objectives are strategic in nature and related to the future of the scheme. Part of the reason for this guidance is to help schemes plan, and each arrangement will have its own long term objectives.

TPR expects trustee boards to take a longer term view in relation to the strategic goals of the scheme and this includes the need to improve member outcomes and the impact of record keeping and administration on other scheme objectives.

For DB schemes these plans may well be linked to liability management initiatives. The quality of data can represent an enabler or a barrier in this situation. These exercises will include buy in or buy out but equally may be exercises on the journey to the 'end game' so, for example, bulk trivial commutation exercises or provision of CETV or enhanced CETV figures, or a Pension Increase Exchange (PIE) either individually on retirement or as a bulk exercise.

For DC schemes the strategy may be aligned to member engagement and investment choices, as well as management of the deferred population and reduction in costs.

### 3. Data requirements for managing risk and meeting compliance requirements

This section covers the data items a typical scheme is likely to require to administer pension benefits. The focus needs to be on both completeness and accuracy of data.

#### Data items applying to all schemes/arrangements

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Unique identifier	<p>A unique reference number is important as it identifies an individual's pension benefits within the scheme .</p> <p>For individuals with multiple member records, for example corresponding to different periods of service or in cases where a person is both a scheme member and in receipt of a dependant pension, the reference number will identify the particular pension record associated with that member.</p> <p>When contacting the scheme the member can quote the reference number to enable the correct record to be located.</p>	<p>Legacy identifiers may be recorded on the system following, for example, an acquisition. These may duplicate identifiers already present on the system.</p> <p>Individuals with no reference number present.</p>	<p>Assign a suffix to duplicate reference numbers to ensure that each reference number is unique.</p> <p>Assign a new reference number to plug gaps.</p>	<p>These identifiers tend to be system generated however it's good practice to run a report on an annual basis to check for duplicate numbers and address any issues highlighted either by individual updates or process changes.</p>

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Surname	<p>Current surnames and previous surnames.</p> <p>When contacting the scheme these are often used as part of the verification process.</p>	<p>Names changes due to marriage/divorce.</p> <p>Some names can be transposed e.g. Martin Allen or Allen Martin and difficult to spot.</p> <p>Letters can be transposed in name.</p> <p>Female members may keep their maiden name when they marry and change their legal name to that of their spouses.</p>	<p>Spouse tracing can link pre and post marriage name changes.</p> <p>Automated checks can be applied to identify potentially misspelt names.</p>	<p>Administration guidance should be prepared to ensure consistent approach adopted.</p> <p>It's good practice to prepare a report that should be run at least once a year designed to highlight common problems.</p>
Forename(s)	<p>All forenames.</p> <p>When contacting the scheme this is often used as part of the verification process.</p>	<p>Multiple name variations for example James, Jim, Jimmy.</p> <p>Initials for middle names.</p> <p>Initial only for forename.</p> <p>Change of name as a result of change of gender.</p>	<p>Automated checks can be applied to identify common variants.</p>	<p>Administration guidance to ensured consistent approach adopted.</p> <p>It's good practice to prepare a report that should be run at least once a year designed to highlight common problems.</p>
National Insurance Number (NINO)	<p>When contacting the scheme the member can quote their NINO so it can be used as part of the verification process.</p> <p>Invalid or incorrect NINOs may result in pensioners paying the</p>	<p>Some data has made up NINOs.</p> <p>Where the NINO is unknown a temporary NINO may have been used with prefix of TN then members six digit date of birth and sex, e.g. TN123456M.</p>	<p>Check all NINOs are in standard format of two prefix letters, six numbers and one suffix letter e.g. AB123456C.</p> <p>Only certain combinations of prefix letters are permitted.</p>	<p>The checks outlined in the column setting out possible data cleanse solutions should be completed at least annually to ensure this data adheres to TPR guidance on record keeping.</p>

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Date of Birth	wrong amount of income tax or be rejected by HMRC.	<p>A child in receipt of child's pension may not be allocated a NINO and either the member's or a temporary NINO is used.</p> <p>Final letter is excluded.</p> <p>NINOs do get recycled from time to time.</p>	<p>Ensure these are valid combinations.</p> <p>NINO numbers follow certain patterns based on how old they are. The initial 2 letters can be a good indicator of a potential problem with a NINO. e.g. a 50 year old will not have a NINO starting with PS..</p>	
	<p>Determines the member's age and hence when benefits come into payment.</p> <p>Also required to value the member's benefits e.g. transfer values, early/late retirement factors, actuarial calculations.</p> <p>Date of Birth can also be used as an identified/verifier when combined with other data items.</p>	<p>Can be missing or made up. Where made up they could either be totally random, which is very difficult to spot.</p> <p>They could all follow the same made up format for example 01/01/1910.</p> <p>Month and Day can be transposed and depending on the day (being under 13) can be difficult to spot.</p> <p>Digits can be transposed in day, month or year and difficult to spot.</p>	<p>Screening for regular occurrences of the same unusual DOB e.g. 01/01/1910.</p> <p>Screening for any where the month value is &gt;12.</p> <p>When performing match tracing consider matches where the month and day could be transposed.</p> <p>Consider the uniqueness of the name and address when weighting a close but not correct DOB match.</p>	<p>Date can be validated as part of regular member contact and in particular when the member takes their benefits.</p> <p>The checks outlined in the column setting out possible data cleanse solutions should be completed at least annually to ensure this data adheres to TPR guidance on record keeping.</p>
	Determines GMP pension age and potentially scheme retirement age where these differ prior to equalisation.	Administration systems may prevent updates to a member's sex e.g. following a member changing their legal sex.	Validate sex against title and forenames for consistency.	The checks outlined in the column setting out possible data cleanse solutions should be completed at least annually to ensure this data adheres to

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Home address				TPR guidance on record keeping.
	To prevent personal data being sent to the wrong person the address needs to be current.	Missing addresses.  Out of date addresses.  Incorrectly formatted address, for example abbreviations of place names.	Data should be Postcode Address File (PAF) cleansed prior to other tracing activity.  Even where the address held is very old it's possible to trace subjects through multiple address changes to reach the current address.  Current addresses can be obtained where there is no last known address, from a name and date of birth or even a general guide to age.	Consider regular address screening to ensure addresses are accurate particularly for deferred pensioners and pensioners. This can be incorporated into mortality screening.  Royal Mail provide guidance for format of UK mailing addresses which administrators should follow when updating addresses.
	Postcode (UK)	Post codes are an important data item in contacting members but can also be used in assessing demographics, for example, as part of de-risking initiatives.	Post codes do change over time.	Postcode Address File PAF cleanse data before any other processing.
Country (if not UK)		There is no single international address database.  Country's names abbreviated or misspelt.  Country should always be in English – for example.	International tracing is a very specialised activity with data sources and methodology varying from country to country.	Royal Mail provide guidance of the appropriate wording to use.

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Area/ZIP code (if not UK)		Eire should be Republic of Ireland.		
	This enables correspondence to be delivered promptly.	As these vary from country to country they'ree difficult to verify.  In general the ZIP code will be before the Country.	The format of overseas addresses can be reviewed to ensure consistent format, e.g. ZIP code in separate line.	Administration guidance to verify appropriate format.
Membership status  Membership status indicates whether the individual is:  <ul style="list-style-type: none"> <li>Active - a current employee contributing (or having contributions made on their behalf) to the pension scheme</li> <li>Deferred – a member who has either left employment or ceased to be an active member whilst remaining in</li> </ul>	<p>Membership status can either be recorded as a data item or it can be derived from other data items, for instance a member who has retired but who has neither died, transferred-out nor otherwise relinquished their benefits would be a pensioner.</p> <p>Membership status is key for database reporting. For instance a report on contribution levels for active members can only be achieved if it's possible to identify which members are in active service.</p> <p>Membership status and changes to membership status are a key indicator of a</p>	<p>A clear and consistent understanding of each status is required. For instance should an employee whose DB benefits have ceased accrual but where a salary link to benefits is maintained be recorded as an active member? Would this change if they were also contributing to a separate occupational DC scheme?</p> <p>Where membership status is recorded as a data item then care needs to be taken to ensure membership status is consistent with key dates and other data sets and with the Last Status Event data item.</p>	<p>Regular auditing of the membership status compared with other data fields will identify members whose status required review and cleansing.</p> <p>Examples of these data fields include the presence of leaver details, retirement details, refund details, transfer-out details and any record of the member's death.</p>	<p>Membership status changes as members leave employment and/or the pension scheme, take retirement and pass away. The membership status should be kept up to date in order to reflect the member's current position. This is best achieved through automated database updates as part of member event processing.</p>

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<p>employment, with an entitlement to a deferred pension from the scheme</p> <ul style="list-style-type: none"> <li>• Pensioner – a member currently receiving a pension from the scheme</li> <li>• Dependant pensioner – an individual currently receiving benefits following the death of a member</li> </ul>	<p>scheme's maturity. Membership status can also be used to plan for administration workloads and administration costs.</p>			
<p>Last status event – the event that caused the most recent change to membership status.</p> <p>For example for Deferred members last status events might include redundancy, resigned, opted-out and scheme closure.</p>	<p>This is particularly relevant to no liability members as it records whether the member took a refund, transferred their benefits, commuted benefits to cash or died. It could also be used to identify members made redundant (which might have a bearing on benefit entitlement) and ill-health retirements.</p>	<p>The main issue is last status events that are inconsistent with the membership status or are inconsistent with other data items.</p>	<p>Inconsistent last status events can be identified through a data audit. Individual reviews of the cases cited will identify where changes are needed.</p>	<p>Last status event should be updated whenever there is a change to the membership status.</p>



Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Date joined employer	<p>This can be relevant for calculating maximum benefits under the old Inland Revenue maximum benefit regime, and depending on scheme rules, determining benefits an individual is entitled to under the scheme.</p>	<p>For members employed by organisations that were acquired by the employer then the date started employment may record the date of acquisition rather than their original date of employment.</p>	<p>For recent leavers it may be possible to confirm the correct date the member joined the employer from the HR or payroll record. Failing this it will be necessary to review the member file to confirm their employment history.</p>	<p>The extent to which it may be necessary to cleanse and maintain this data item may be impacted by the requirements of pension dashboard and so should be kept under review.</p>
Date joined scheme	<p>Some schemes may record both Date Joined Scheme (DJS) and Date Pensionable Service Commenced (DPSC). Where both are present then schemes need to understand which of these corresponds to the start of accrual.</p> <p>For instance, for members in acquired sections, one of these dates might be the date of acquisition or for members with re-instated benefits then one of these dates might be the date of re-instatement. In both these scenarios the earlier date will be the correct Membership Start Date.</p>	<p>Schemes should have a consistent approach to the recording of service dates. If one group of acquired members use DPSC for the date accrual started and DJS for the date of acquisition then this same approach should be used for all members.</p>	<p>For contracted-out pension scheme membership it may have been possible to validate pensionable service dates against HMRC records as part of work carried out on GMP reconciliations.</p> <p>It may also be possible for pension scheme membership to be validated against pension contribution records.</p> <p>If not, it may be necessary to review member files to fill any gaps in the scheme membership and employment histories.</p>	<p>Date joined scheme would be set when the member was first admitted to the pension scheme. This might be through an interface from the employer's HR or payroll system or from the mapping of data for acquired members.</p>

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	<p>Another scenario might be where a member initially joined for life insurance purposes only and then later started to accrue pension benefits. In this scenario the later date would be the correct Membership Start Date.</p>			
Date of Leaving	<p>Determines the number of years' of pensionable service an individual has in the scheme and hence generally determines the pension to which the member is entitled.</p>	<p>Where members have retired from active service, date of leaving may not have been populated.</p> <p>For members who didn't return to employment following maternity leave or unpaid leave then care should be taken as to whether membership ceased when non-pensionable leave started or when it was confirmed they wouldn't return to employment.</p> <p>Date of leaving may be missing for members who left service prior to computerised records.</p>	As above	<p>Date of leaving would be set when the member ceases accrual. This would most likely be through an interface from the employer's HR or payroll system or may also arise through a database update, for instance, a bulk transfer to another scheme.</p>

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Scheme section	<p>A code or flag recording which section of the scheme the member is in. From this code the basis for calculating pension contributions can be determined as well as the basis for determining pension scheme benefits.</p> <p>Scheme section may be recorded as a history, reflecting changes to a member's benefits (such as a change from final salary benefits to CARE benefits).</p>	<p>The scheme code may be missing or inconsistent with other data items such as service dates or the pension elements.</p>	<p>A data audit could identify members whose contributions and/or benefits are inconsistent with the scheme section code. Individual reviews of these cases would be required to cleanse the data.</p> <p>For active members a comparison of scheme section with the records held by HR and payroll might also identify cases requiring a review.</p>	<p>The scheme section should only be updated when their pension benefits have changed. Schemes with flexible benefits allowing members to adjust contribution rates and benefit accrual may require annual updates to the scheme section.</p>
Contributions history	<p>A record of contributions (employee, employer and AVCs) is required for processing refunds of contributions, and for DB schemes is commonly refunded on death after leaving but before retirement. It can also be used to validate a member's service period and for some schemes may be required for the calculation benefit underpins.</p>	<p>Missing contributions can be identified by comparing service dates and temporary absence records with the contributions history.</p> <p>It should also be possible to validate pension contributions against a member's scheme section history and salary history.</p>	<p>Recent pension contributions can be cleansed using payroll records.</p> <p>Pension contribution history is a record of contributions actually paid at a given point in time. It follows that recreating a pension contribution history using the scheme section record and salary history to fill gaps and create an idealized contribution history may be contrary to this goal.</p>	<p>An automated interface between payroll and the pensions administration system should be used to update the contributions history.</p>

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Salary and earnings history		More recent contributions can be validated against payroll records.		
	Salary and earnings history are used to calculate pension benefits for DB members. Life cover benefits and the premiums for these would also be derived from the salary history.	Common problems include duplicate salary entries, missing salary entries and salaries recorded under the wrong heading (for example pensionable salary recorded under basic salary).	Missing salaries and earnings records from recent years can be cleansed using payroll records.	An automated interface between payroll/HR and the pensions administration system should be used to update the salary and earnings histories.
Date of Retirement	<p>The date on which the member's pension benefits came into payment.</p> <p>This date may be used to determine whether a pro rata should be applied to pension increases and is also a key data item when auditing pension benefits.</p>	<p>Pension freedoms have resulted in some members taking a succession of crystallisation events. For such members schemes should define what constitutes the member's date of retirement.</p> <p>Some schemes don't permit deferred members to postpone retirement after NRD. For such cases date of retirement should be no later than NRD.</p>	For recent retirements date of retirement could be validated against pensioner payroll records. For older retirements checks could be done to ensure the date of retirement is consistent with date of leaving and other scheme dates.	Date of retirement would be set when the member's retirement is processed and would be set through the data updates following retirement processing.

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Date of Death	<p>The date on which the member/dependant died.</p> <p>This date will be used to determine the date of commencement of any spouse's pension and how that impacts on future pension increases.</p> <p>Even in cases where no further benefits are due, data relating to past death cases can be important in de-risking activity.</p> <p>Knowing the date of death is also important in assessing whether there has been any overpayment of pension and therefore a requirement to reclaim.</p>	<p>In the majority of cases, the date of death will initially form part of the notification and then verified by receipt of the death certificate.</p> <p>Sometimes however the administrator becomes aware of the death through mortality screening or a certificates of existence exercise.</p> <p>These types of cases need to be managed until a confirmed date of death is established.</p>	<p>Incorrect dates of death are actually very hard to identify.</p> <p>The checks to undertake would be very similar to those required for date of birth which would involve looking for dates appearing to be dummy data such as 01 January 1900.</p>	<p>The approach taken may vary as follows:</p> <ul style="list-style-type: none"> <li>Where there is a high degree of certainty the member has died, a copy of the death certificate can be requested from the General Records Office</li> <li>Where the death is less certain then a first step may be to issue a verification letter to the last known address</li> </ul> <p>There are other options that could be considered for example if there is a pensioner or retired employee association they may be able to provide support.</p>

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Benefit Crystallisation Event (BCE) details	<p>Members use their BCE information to manage their position in relation to the LTA. There are also legislative requirements in relation to providing members with BCE information.</p> <p>For example, for pensioners who retired on or after the 06 April 2006 there's a requirement to notify them of their BCE on an annual basis.</p>	BCE data should only exist for members who retired or died on or after 06 April 2006.	A report should be run to check the records for all members who retired or died on or after the 06 April 2006 contain BCE information.	Both manual and automated routines should include the calculation, communication and updating of relevant BCE information.

Data items specific to DB schemes

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Normal Retirement Date	<p>The date specified in the pension scheme rules at which a member would normally retire.</p> <p>There might be multiple dates if, as a consequence of equalisation different tranches of benefits have different normal retirement dates.</p>	<p>NRD may be held as a data item or derived from the member's date of birth and NRA (as defined in the scheme rules).</p> <p>Where it's held as a data item, checks should be carried out to ensure it's consistent with scheme rules, being mindful of recent changes introduced by age discrimination legislation.</p> <p>Particular care is needed where schemes have equalised retirement age resulting in some members having different tranches of pension payable (without reduction for early retirement) from different dates. However such members would generally have only a single NRD.</p>	<p>The member's NRA can be validated based on the scheme rules.</p> <p>A one off exercise should be undertaken to ensure the administrator understands the correct normal retirement dates and the records hold the correct dates. It's normally possible to identify members where different dates apply due to category code and it's then good practice to ensure these are being correctly applied as part of any calculation routines.</p> <p>Any discrepancies identified should be investigated and, if necessary, benefit rectification exercises will need to be undertaken.</p>	<p>As the majority of DB schemes are now closed to new entrants, once this exercise has been completed once it's unlikely it'll need to be done again unless day to day processing highlights any issues.</p>
AVC indicator	<p>Set this flag to true if there are AVCs.</p> <p>AVCs form part of a member's overall benefit entitlement for the scheme, and it's important</p>	<p>AVCs could be ignored in certain transactions (i.e TV out) leaving the AVC isolated. The value of the AVC may then inadvertently limit the options available to the member. In</p>	<p>Undertake a full reconciliation of the AVC records held by the AVC provider against all records where an AVC indicator is set. Update the indicator where absent, and</p>	<p>Ensure an ongoing reconciliation of AVC policies is undertaken when DC illustrations are issued each year.</p>

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
AVC record	<p>they're considered in any form of communication, and accounted for in any benefit related event (Retirement, Death, TV out).</p>	<p>addition, some members may benefit from taking the AVC pot as cash on retirement if commutation factors are penal. If the AVC policy is held separate from the main Scheme benefit, member communications could ignore the AVC pot, and statutory DC illustrations may not be issued. As AVC's essentially represent the member's own money, but are often an afterthought in trustees' priorities when it comes to governance and data cleansing, TPR wants trustees to focus on AVC governance with the same importance they give to a member's primary benefit in the scheme.</p>	<p>ensure an AVC flag message appears on any event process.</p>	
	<p>AVC's form part of the members overall benefit entitlement from a Scheme, and it's important they're considered in any form of communication, and accounted for in any benefit related event (Retirement, Death, TV out).</p>	<p>For the majority of DB schemes the AVC policy is held separately so it's important the indicator is present (see above). If the Scheme has a DC section and the AVC is invested within the DC Scheme then the data requirements for the AVC record will mirror that as required for a DC record (see below).</p>	<p>Undertake a full reconciliation of the AVC records held by the AVC provider against all records where an AVC indicator is set. Update the indicator where absent, and ensure an AVC flag message appears on any event process.</p>	<p>Ensure an ongoing reconciliation of AVC policies is undertaken when DC illustrations are issued each year.</p>



Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Transfer-in record	<p>A transfer in can represent an important and sometimes substantial element of a members pension. This could have arisen from an individual transfer or as part of a bulk transfer, for example, due to corporate activity.</p>	<p>Transfers in can take a number of forms including:</p> <ul style="list-style-type: none"> <li>• additional years and months of pensionable service</li> <li>• an additional fixed pension payable from a specific age</li> <li>• a money purchase fund, perhaps invested with an AVC provider</li> </ul> <p>When calculating the member's entitlement under the scheme it's important to check any calculations reflect the correct transfer in benefit and it has taken into account any variations in terms or payment date</p>	<p>Spotting issues with individual transfers in can be difficult.</p> <p>A basic check is to run reports for all members with transfers in completeness of the data.</p> <p>Checking data for bulk transfers in can be more straightforward, for example, it may be all members within a specific category should have a transfer in record and some features of the additional benefit, for example, the date at which it's payable should be the same for all members.</p>	<p>The majority of DB schemes are now closed to future accrual and so do not accept transfers in. Even those open tend not to offer this option to members.</p> <p>Transfers in to DC arrangements should be identified as such and any data issues should be identified and addressed as part of the DC reconciliation process.</p>
Augmentation record	<p>Individual augmentations are important as they form a part of a member's benefit.</p>	<p>A common problem with augmentations is that, because they're member specific the information is often recorded on a free format memo or notes screen.</p>	<p>Ideally details of augmentations should be held in a field on the member's record to ensure these aren't missed when a member's benefits are put into payment.</p> <p>One option is to run a report of all the information held on any free format screen and review the feasibility of either adding</p>	<p>Good practice is to record details of any augmentations on the member's record so where these may be awarded it is good practice to create a field or fields to hold this data.</p>

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Preserved pension splits			<p>this to the member's record or adding an indicator so it's clear there are benefits due in addition to those specified under the scheme rules.</p> <p>There may be discrete groups of members for whom an augmentation is always applied and good practice would be to run a report for these populations to check the records include details of the additional benefits payable.</p>	
	<p>Correct and complete preserved pension splits are required to:</p> <ul style="list-style-type: none"> <li>• Allow the calculation of full pension splits at retirement.</li> <li>• Enable pension increase exchange as an option at retirement.</li> <li>• Allow schemes to access best pricing for liability management exercises</li> <li>• Ensure transfer calculations are accurate</li> <li>• Ensure scheme valuations are accurate</li> </ul>	<p>A common data failing is to only record the pension splits required for the processing of retirement benefits and transfers-out. However, a more complete preserved pension record allows the trustees to access additional operation and liability management options.</p>	<p>A benefit re-tranche exercise would be required to re-tranche the preserved pension to record all applicable pension tranches.</p>	<p>Retirement processing should be amended so all applicable pension splits are recorded at leaving, even where these are not required for day-to-day administration purposes.</p>

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Pension in payment splits	<p>Correct and complete pension splits are required to:</p> <ul style="list-style-type: none"> <li>• Allow trustees to award discretionary increases on excess pension accrued prior to 06/04/1997</li> <li>• Enable pension increase exchange exercises</li> <li>• Allow schemes to access best pricing for liability management exercises</li> <li>• Ensure scheme valuations are accurate</li> </ul>	<p>A common data failing for pension schemes is to record the pension splits required for day-to-day administration (including pension increases) but not record the additional pension splits required for pension increase exchanges and other forms of liability management.</p> <p>An example might be where the trustees have always awarded discretionary increases for pre-97 excess pension matching the post-97 increases. As a result it's not deemed necessary to record pre/post-97 pension splits. However, this prevents the trustees from taking up certain operational and liability management options.</p>	<p>A benefit re-tranche exercise would be required to re-tranche the pension currently in payment to record all applicable pension tranches.</p>	<p>Retirement processing and pension increase process should be amendmended so all applicable pension splits are recorded, even where these aren't required for day-to-day administration purposes.</p>
Dependant to member links	<p>Establishing a link between the deceased member and dependant(s) is necessary for GMP reconciliation/GMP rectification and for any audit of the benefits paid to the dependant.</p>	<p>Where the death occurred some time ago then the deceased member record may have been deleted. For other cases the link between the records may have been deleted.</p>	<p>Analysis of possible links between deceased member and dependant pensioner can be done through examining the surname, date of death/date pension commenced, post code and gender for possible matches. File reviews of partial matches</p>	<p>A link between the deceased member record and their dependant pensioners should be created as part of the processing of death benefits.</p>

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
	Multiple links will be required where there's more than one dependant (for instance a surviving spouse and one or more surviving child pensioners).		may be required to provide assurance the links identified are reliable.	

Data items specific to DC schemes

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Date of Last Payment	It's important to review the date of the last payment as it may indicate if a member has left the scheme and no notification has been received of a date of leaving.	If a contribution has not been received as part of a contribution cycle this can be an indicator the member has left. This should be a check forming part of the routine validations run as part of each contribution cycle. Any warnings or errors relating to this check should be investigated.	As indicated, this would normally form part of the monthly contribution cycle but it's good practice to review contribution histories once a year to ensure members are reflecting the correct status.	This should form part of the monthly contribution cycle.
Target or Selected Retirement Date	Target or Selected Retirement Age is the age the member nominated they intend to retire at. This is needed for SMPs, issuing retirement packs and the implementation of any lifestyling investment strategies.	<p>Data is present but not in a valid format</p> <p>Target date doesn't look reasonable e.g. less than current age.</p> <p>Potential spurious date such as 01/01/1900 suggesting target date not known.</p> <p>A member may have made multiple elections for their selected or target retirement age.</p> <p>Target date is the default date and may suggest the individual hasn't reviewed the date.</p>	A member may have made multiple elections for their selected or target retirement age. Where this is the case then the most recent election should be used.	

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
Contribution Amounts	Each employee and employer contribution received should be recorded.	Duplicate contributions. Contributions received after an individual leaves.	Reconcile contributions recorded with investment manager's records.	Perform contribution monitoring checks on a regular basis, such as each time a contribution file is received.  The amount received must be checked against that expected.
Contribution history	A record of each how and when each contribution is invested.	Transactions carried out using incorrect unit price.  Contributions not invested in line with lifestyle investment strategy or other investment rules.  Missing intervals or pay periods.  Incorrectly allocating a single contribution as a regular one leading to an incorrect projection on a member's benefit statement.		Data is continually validated, investigated and updated where it's possibly incorrect e.g. <ul style="list-style-type: none"> <li>For an Active member question when no contribution received in the last 45 days.</li> <li>Investment date is before the contribution received date.</li> </ul>
Contribution Rates		More than one open contribution rate per contribution source on the member's record.		Regularly validate as part of a monthly contribution monitoring routine.  Validate annually, ideally at the time of the annual renewal in order to ensure future contributions are correctly

Data Item	Why is this important?	Some common problems and how to spot them	Possible data cleanse solutions	Ongoing maintenance
				projected on the member benefit statement.
Default Lifestyle	Identify whether the member has a lifestyle investment strategy or similar phased investment pattern to ensure contributions are invested correctly.	Contributions not invested in line with lifestyle investment strategy.	Check the member's investments correctly reflect the point reached by that member within the lifestyle formula.	
Fund Choices	Member's fund choices must be clearly recorded to ensure contributions are invested correctly.	Individuals' investment rules not totaling 100%  Individuals' investment allocations in a closed or defunct fund.	Check the sum of the percentages allocated to each investment type is 100%.	

## 4. Impact assessment

This example dashboard is designed to help you focus on the impact of data on achieving your objectives. As a first step you might want to ask your administrator to review the various areas and ask them to add any further known issues that they are already aware of.

Data Quality Dimension	Measure	Known issues	Target	Current position	RAG Indicator
Compliance	Common Data				
	Scheme Specific Data				
	Scheme Return				
	Dashboard Ready Data				
Member engagement	Access to online functionality				
	Understanding of member contact preferences and the ability to communicate and seek feedback electronically				
Usability	Ability to correctly calculate benefits and/or ensure these are paid to a member or dependant at the right time				
	Extent to which the efficient and effective processing of a benefit is being achieved				
	Extent to which data is held electronically and can be used in bulk and automated routines				
Governance	Completeness of data deemed mandatory for all members or discreet groups of members				
	All data items which have the potential to materially impact on valuation or other funding outcomes are corrected.				
	Adherence to TPR code on DC Governance				
Strategic importance	No data issues preventing the employer or trustees achieving future strategic initiatives such as de-risking				



## Appendix A – Case Study

The Trustees of the Open Window Glazing Company have a trust based DB scheme now closed to both new entrants and future accrual. All eligible employees are now auto-enrolled in the Ash mastertrust. The DB scheme is therefore comprised of deferred and pensioner members and the mastertrust active and deferred members. There are some members with benefits in both arrangements

The Trustees asked their administrator to run a common data report for the DB scheme. This has identified they don't have valid addresses for two pensioners whose payslips had been returned and 321 deferred members. The number of deferred members without a valid address has raised a concern and so they've asked Ash to run a similar report for their deferred population in the DC scheme. They haven't included the active members as all communication with them is via the employer and there's a process in place to include the member address on the interface at the point when someone leaves Open Window.

The results of running the common data report for the deferred DC members highlights a further 173 members have 'gone away' on the member record indicating, at some point in the past, a communication has been returned.

Recognising that, in order to engage with members on their pension savings, settle benefits as and when they fall due and comply with TPR guidance on record keeping, Open Window and the Trustees identify they need to take some action and agree to submit all the records for the DB and DC 'gone away' deferred members for address tracing. The two pensioners are managed separately as there's an immediate fraud risk in relation to these two records.

There is, of course, the possibility these deferred members may be deceased so the address tracing exercise also includes a mortality screen.

Of the 494 records the screening provides the following results. The company and Trustees discuss these and their proposed next steps are shown in the table below alongside the results.

Number of members	Outcome	Agreed next steps	Rationale for the decisions
14	High probability the member has died	Obtain a copy of the death certificate from the General Records Office	To ensure dependants receive any benefits due. These are all DB members so it also crystallises the liability within the scheme
9	Low probability the member has died	A verification letter will be sent to the address identified as part of the tracing exercise asking the member to verify their details	Sending a verification letter tends to be a lower cost way forward and, at this stage, there's nothing to suggest this member is definitely deceased
370	A new address has been traced for approximately 75% of those in scope. Where a complete data file, including last known address is available, this is indicative of the success rate that can be achieved.	<p>The results indicate the level of certainty</p> <p>A verification letter will be sent to the address identified as part of the tracing exercise asking the member to verify their details. Some tracing providers provide the facility for the verification to be completed via a web portal.</p> <p>As part of the verification process the Trustees also ask for a personal email address as an alternative means of keeping in contact with the member going forward.</p>	To hold confirmed addresses for members and avoid sending personal information to incorrect recipients, to keep members informed and engaged about their pension savings and settle benefits as and when they fall due
11	Were found to be living as stated at the last known address on the administration system and therefore previous post must have been returned in error	Reinstate the last known address on the administration system	This is a genuine record keeping error so no further action is required other than to correct the record
90	Bulk tracing has not returned a new address	The Trustees need to decide if they wish to proceed with the next level of tracing which would represent an individual trace	<p>Having reviewed the data the Trustees decide to undertake the individual trace for the 36 members who are age 53 or over and to implement an annual process to undertake an individual trace for the remaining 54 members in the year in which they attain age 53 assuming new address details haven't been received by then.</p> <p>Another consideration in prioritising when to do an individual trace is to consider the value of the pension e.g. the Trustees could decide to trace members who are aged under 53 where their monthly pension entitlement is £100 or above.</p>

In addition to the actions outlined above the Trustees also undertake the following:

- For any members where an address found and verified, and who've already passed their NRA the Trustees write to them with details of their benefits asking if they'd like these to be put into payment. Prior to doing so however they check the rules to clarify whether these permit late retirement from deferred status and how any benefits due should be calculated.
- A flag is added to the record of any members past NRA and where an individual trace has been completed and no address identified to exclude them from future tracing activities

*The actions taken by individual schemes in these circumstances will vary and the above is for illustrative purposes only*



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