



# PASA BUSINESS PLAN

March 2020

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## 1. Business Overview

The Pensions Administration Standards Association (PASA) was created from within the industry to become *the* body to set administration standards, assess compliance with those standards and act as a focal point for government and the pensions industry on matters relating to administration standards.

As well as raising the profile of pension administration generally, we'll focus on improving the accuracy and timeliness of service delivery for pension scheme members through our four core activities:

1. Defining good standards of pension administration relevant to all providers, whether in-house, third party or insurers (and we'll consult to help us understand this where appropriate)
2. Publishing guidance to support those standards
3. Being an Accreditation body, assessing the achievement of good standards for scheme members and sponsors (regardless of provider)
4. Providing codes of conduct for all PASA members

PASA has set standards administrators should aspire to through its externally audited Accreditation process. It's imperative the standards set are meaningful and measurable. Increasingly the Guidance surrounding these standards require engagement and support from sponsoring employers and trustees. Through its Working Groups and Committees, we'll set out the responsibilities of these stakeholders to deliver high quality pension administration.

### Other industry activities

The need for PASA to set standards and provide Guidance is no longer questioned. Activities such as the AAF01/06 audits are now standard requirements. Industry bodies also offer performance indicators, guidance or member satisfaction surveys. Whilst all these activities contribute towards improvement in services, only the PASA Standards set out a framework of contracting, reporting, service management, systems resilience and best practice which collectively deliver a high quality, timely and accurate service for pension scheme members.

PASA's overall objectives are:

1. To maintain an up to date statement of standards setting out what fully competent pension administration looks like
2. To maintain an independent Accreditation system through which pension schemes and providers (whether DB or DC, trust or contract-based) can demonstrate satisfactory attainment of the agreed administration standards
3. To develop and publish freely available Guidance which provides examples of good administration practices supporting high quality, timely and accurate outcomes for members

4. To work with other industry professionals and other bodies to ensure standards remain appropriate to the needs of stakeholders which evolve as the industry changes to encourage the strategic importance of administration services
5. To set standards for data and engage stakeholders who can influence this across all scheme types and members
6. To ensure the profile of high-quality pension administration is recognised through industry engagement, including through published articles and social media
7. Work with the industry regulators to ensure legislation supports efficient and high-quality administration processes that are appropriate to the needs of all stakeholders

## 2. Business Strategy

We'll remain focused on the standards and Guidance underlying the assessment of good practice in pension administration, evidenced through Accreditation. The Accreditation process involves a detailed submission and independent audit through site visits and ensures successful administrators meet a minimum required standard. The process also assesses the effectiveness of underlying administration processes to ensure they meet the expectations of sponsoring employers, trustees and - importantly - members. We'll work closely with The Pensions Regulator (TPR) to ensure administration remains a high regulatory requirement. The PASA Board will monitor the Accreditation evaluation criteria closely.

### Raising administration quality standards for the pension industry

We aim to bring together the major pension administration providers, involving in-house, outsourced and insurance administrators to agree both minimum quality administration standards and articulate aspirational pension administration excellence. Digitisation of member records across the industry is still inconsistently in place and some schemes have unresolved legacy issues due to poor transitions. Complex legislative changes over the years have added to the difficulty in achieving high quality administration for pension scheme members. There's a need to agree a common constructive framework to make legacy data fit for the digital world.

Pensions Dashboards and the development of digital services make data quality a key feature of pension administration in the future. We recognise administrators can't deliver the data cleansing and the digitisation required to support Dashboards without support from sponsoring employers and trustees. We've set data standards which are being developed by the Pensions Dashboards Programme as the basis for future Dashboards requirements. We know however that data isn't a 'one and done', we'll push for data validation on receipt and provide guidance to stakeholders and administrators on best practice in this area.

### Raising the profile of Pension Administration and PASA

We know state of the art technology, automated processes and high quality, trained professionals add substantial value to pension administration through supporting process and providing excellent customer service. We'll therefore continue to raise awareness of these qualities throughout the pensions industry, including through the press and via social media channels. A far more engaged approach in selection and governance of all pension administration providers, regardless of sector, is vital and we'll work to build far greater awareness. This will require greater upfront and ongoing investment, if trustees and sponsoring employers are to see a high level of quality and professionalism from their administration partners. We'll continually link our standards and Accreditation process with specific improved results in terms of service quality, speed of delivery and cost control. We'll also set up Working Groups from time to time to address specific developments as required.

We'll promote PASA's objectives, Guidance and Accreditation through our website, press and events. We aim to help administrators realise their own value, as well as helping sponsoring employers and trustees understand the value of investment in people, procedures and technology. Our focus covers all aspects of administration impacting on members, including contract-based DC arrangements and master trusts. We're not limited to single trust schemes.

### Stakeholders

We believe there are a broad range of stakeholders where PASA will be an important source of information and reassurance.

1. Boards and scheme trustees
2. Sponsoring employers of pension arrangements
3. Pension savers
4. Governance committees
5. In house administrators
6. Third party administrators
7. Insurance companies
8. Pension consultants/actuaries
9. TPR
10. Pension Protection Fund
11. PMI
12. SPP
13. ABI
14. PLSA
15. APL
16. Professional trustee firms
17. Pensions Ombudsman Early Resolution Team
18. Department for Work & Pensions
19. Journalists with an interest in pension administration and financial services

We'll continually engage with these groups to make sure we are viewed as a positive force in the pension community.

Improvements in data quality needed to underpin high quality pension administration standards into the future invariably need to be funded by trustees and sponsoring employers. One of the key purposes of our engagement with them is establish a stronger universal standard of quality data for all practitioners to adopt.

### 3. PASA Objectives 2020-2023

Our objectives will develop over time. We'll create and run Working Groups from time to time to progress specific objectives. A number of these are already established. We'll maintain our main Committees with responsibility for delivering key management objectives for PASA. Each will develop an operational plan to meet the Board's strategic objectives set out here. The following Committees are currently in place:

- Standards - to keep the standards underlying Accreditation relevant and up to date
- Accreditation - to ensure the Accreditation process is straightforward and well managed
- Membership & Funding - to ensure our reach across the industry provides a broad range of members and supporters, generating revenues to support our activities
- PR - to ensure our activities are publicised and understood across the industry
- Industry Policy - to identify and respond to 'hot topics' in the industry

All committees and working groups have a board sponsor to ensure their work has a direct line of sight through to PASA's overall objectives.

#### Key objectives

During 2020 we will:

	Objective	Responsibility
a)	Create operational plans for each of the Committees and share them across the committees	All Committees
b)	Establish oversight of the operational plans by the Board through formal Quarterly reporting by Committees. This will ensure performance is measured against plans	Board
c)	Create a plan to better engage with industry and government stakeholders to raise the profile of PASA	Board
d)	Work with Pension Organisations and Government offices to broaden the awareness and influence of PASA in pension administration	Board
e)	Produce guidance on cybersecurity and fraud prevention to reflect the changing nature of our services and modern threats to them	Cybersecurity Working group
f)	Produce guidance on GDPR for pension administrators, reflecting the lessons we have	Data Working Group

	learned so far and how the legislation has been adopted	
g)	Maintain sufficient cash at bank through membership and other means to fund operations for at least 6 months without further income	Membership & Funding Committee
h)	Identify new areas for knowledge/Expert Partners to add value to PASA and our members and broaden the reach of the key messages created by our partners	
i)	Establish a working group to identify and deliver a mechanism to collect feedback on the PASA member experience of pension administration to better focus work within the industry on improving standards	PASA Membership experience working group
j)	Explore expansion of our standards to Master Trust and contract-based pension administrators?	Standards Committee
k)	Consult on and agree an extension of the existing guidance for DB transfers, to be published as a code of practice	DB Transfers Working Group

Beyond 2020 we will also:

	Objective	Responsibility
a)	Create operational plans for each of the Committees and share them across the committees	All Committees
b)	Organise a PASA administration conference as a showcase of PASA initiatives, raise and consider industry issues and to increase awareness of PASA in the Pensions Industry	PR Committee
c)	Work with pension organisations and Government offices to broaden the awareness and influence of PASA in pension administration	Board
d)	Create standards for compliance with Pensions Dashboards as legislation and practice emerges	Board
e)	Maintain sufficient cash at bank through membership and other means to fund operations for at least six months without further income	Membership & Funding Committee
f)	Revisit the measures that most accurately reflect the quality of member experience and establish a	Standards Committee?



	set of measures across the industry as part of the Accreditation programme	
g)	Annually review new areas for knowledge/Expert Partners to add value to PASA and our members and broaden the reach of the key messages created by our partners	
h)	Embed new standards from our DB Transfers Code of Practice into our standards and Accreditation process	DB Transfers Working Group

## 4. Funding

Funding will come from the following sources:

1. Membership fees
2. Event fees
3. Expert Partners and other sponsors

**Note:** PASA doesn't intend to create revenue from Accreditation fees. These cover the Accreditation audit partner's costs only and don't support PASA's funding.

### Membership fees

There are two membership types, corporate and individual, although individual members would not normally be expected to stand for election to the Board of PASA. Membership costs are reviewed on an annual basis in April. In 2020, to recognise the challenges all administration providers face during the Coronavirus pandemic, the fee review has been postponed until later in the year.

**Corporate** membership is for organisations wishing to have an opportunity to participate in our Committees and Working Groups, subject to PASA skills' requirements. They'll also benefit from sponsorship opportunities and can propose individuals for election to the Governing Board of PASA. Corporate Membership costs up to £5,000 a year as set out below:

Corporate provider with no administration services	£750
Corporate administration provider (less than 30 staff)	£3,500
Corporate administration provider (more than 30 staff)	£5,000

Discounts are also available for employers with multiple schemes and these can be found on our website ([www.pasa-uk.com/membership/join-pasa/](http://www.pasa-uk.com/membership/join-pasa/)).

**Individual** membership is a closed status to which new members will only be admitted by prior Board agreement. It is expected this status will be wound down over time, as we believe Corporate membership most accurately delivers PASA's aims and objectives. Individual membership is £100 a year. Individual members may be invited to join a Committee at the discretion of the Committee Chair and Board.

The first members of PASA, whether Corporate or Individual, are classed as Founder Members due to their early commitment and contribution to the formation of the organisation.

### Accreditation fees

Accreditation fees will be set at a level (a) ensuring costs of the service are met, (b) seen as value for money by administrators and (c) sufficient to ensure a professional approach and independent

impartial audit. We have engaged an external Accreditation firm to ensure these audits are independent. The audit firm was appointed through a full market tender and has been/will be reviewed regularly. The exact level of Accreditation fees will be determined by the PASA Board on advice from the Accreditation Committee. In 2019 and 2020 some Accredited providers were/will be able to extend their accreditation through a self-certification process as we move from re-accreditation being required every two years to every three years. The costs of this self-certification will be commensurately lower than the full accreditation process.

### **Event fees and sponsorship**

Event sponsorship of the PASA Annual Conference has raised an increased level of funds and we expect the event to be self-funding over time. We aim to ensure access to the Annual Conference for attendees will remain free.

We will engage as appropriate with Corporate members to host other events, such as seminars flowing from Guidance launches, etc. This offers Corporate members the opportunity for name awareness and enables these events to also be run free of charge to attendees. Attendees at all PASA open events will not be limited to PASA members.

## 5. PR

The PR Committee manages PASA's marketing and PR, with some external support. We will continue to improve awareness of PASA and its work to drive up membership. Activities PASA will undertake from within its revenues may include:

- Stakeholder research/surveys
- Events/Exhibitions
- Managing Press and Advertorials
- Branding and Collateral
- Content (guidance)
- Direct communication to potential members undertaken by the Membership and Funding Committee
- PR contact
- Website development

Our PR Committee will manage all PASA's PR activities, with support as required from an outside agency. This will ensure continued traction in the press and among pensions professionals. We also re-launched our website in 2019 to make it more accessible and user-friendly for members and casual visitors.

We will continue to produce tangible Guidance for pension administration practitioners and all users of administration services. This will be published open source material on our website.

## 6. Structure and Management Team

The legal structure of PASA is a Community Interest Company.

PASA is managed by a governing body of six directors including a Chair, together with an Honorary Treasurer. All are pension professionals with many years' experience in the industry. All appointments are unpaid. Current Board directors are:

Kim Gubler - Chair

Gary Evans

Girish Menezes

David Pharo

Paul Sturgess

Chris Tagg

Our President is Margaret Snowdon and the Honorary Treasurer is Karen Mackenzie.

The appointment process for Board Directors is by formal application, skills match and interview. The Board Chair and Committee Chairs are appointed by the Board. The Board is responsible for the legal governance of the organisation, ensuring it always acts in accordance with its articles. PASA meets the requirements of a Community Interest Company (being set up as a not for profit organisation and a membership only organisation) as well as clearly demonstrating good governance to its members and the industry. The Board appoints its Honorary Treasurer and President.

The Board is responsible for setting up Committees and Working Groups and will select members according to skills and experience required. Some places on Committees are reserved for interested Corporate members, whose subscription fee includes the opportunity to provide resources to the organisation. The Board can co-opt specialists to ensure a broad range of skills.

Day to day management and support is provided by a salaried part time Board Executive. The holder of this position is annually appraised in accordance with the job specification and objectives.

We rely on volunteers to produce PASA deliverables, such volunteers coming from the membership are identified and recognised as such on the website. The quality of PASA output is vital and all volunteers on Committees and Working Groups must sign a Statement of Obligations where they sign up to the level of commitment required.



THE PENSIONS ADMINISTRATION STANDARDS ASSOCIATION

Get in touch:

[info@pasa-uk.com](mailto:info@pasa-uk.com)

[www.pasa-uk.com](http://www.pasa-uk.com)