PASA

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# PASA GUIDANCE

How to start getting ready for pensions Dashboards

March 2021

# How to start getting ready for pensions Dashboards Guidance

# Acknowledgments

# 1.  Introduction

This is the first of a series of releases of PASA Guidance for UK pension schemes, trustees and providers on how to start getting ready for pensions Dashboards.  **You should start preparing now**.

Now the **Pension Schemes Act 2021** has received Royal Assent, we can expect:

- The Department for Work and Pensions (DWP) to consult on detailed Dashboards regulations
- Regulators, i.e. the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR), to start helping all pension providers & schemes comply with their Dashboards compulsion duties
- The Pensions Dashboards Programme (PDP), which is part of the Money & Pensions Service, to publish further detailed instructions on how **you** must operate with the Dashboards ecosystem.

**BUT YOU DO NOT NEED TO WAIT FOR ALL OF THAT BEFORE YOU MAKE A START.**

# 2.  Purpose of this first iteration of PASA Guidance

The PDP published its first detailed information on data standards in December 2020, so you can and should already be starting to get ready.  The purpose of this first iteration of PASA Guidance is to:

1. Explain what schemes and providers should be doing **now** to incorporate the requirements for Dashboards into their **wider data strategies** and thus start getting ready for compliance

2. Outline the **expected timeline** for providers[1] to comply with all the requirements for Dashboards

3. Alert pension schemes, trustees and providers to the PDP's published **detailed data standards**.

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[1] IMPORTANT NOTE: Throughout this Guidance, the term 'pension providers' is intended to encompass all types of entity or organisation holding pension data, i.e. pension providers, schemes / trustees / public service pension boards, and integrated service providers (ISPs) (ISPs will connect their provider and scheme clients' data to the pensions Dashboards ecosystem).

## 3. Your data strategy and wider data activities

As a pension scheme or provider, if you haven't already done so, you will benefit from having in place an ongoing strategy for the continuous high quality maintenance of all your pension data.  Almost every aspect of managing a pension scheme is easier to achieve if you actively manage data.

A good strategy will incorporate both ongoing and one-off scheme-specific data activities, and PASA will shortly issue guidance on Data Management Plans.  Which all pension schemes should be looking to develop and implement to manage their data strategy.  A Data Management Plan will include all areas of data management, including:

- Compliance with TPR's Common and Scheme-specific data record keeping requirements
- Regularly reporting of your data quality measures as part of your TPR scheme return
- Handling all regular interfaces from employer HR and payroll data sources, including exceptions
- One-off exercises with a record keeping element, such as GMP equalisation, bulk buyout, bulk DC investments switches, McCloud remedies etc

The pensions Dashboards data requirements should now be incorporated into your wider data management plan.

Dashboards doesn't add any requirement to hold **new** information.  However, it does require you to digitally hold all your pension records in such a way they can be digitally matched and returned for display on whichever pensions Dashboard your members/customers choose to use.

## 4. Your other current data activities

If you're undertaking other data work, such as GMP exercises, you should take the opportunity at the same time to make tactical steps towards Dashboards compliance, for some or all of your records.

For example, if you need to change your calculation basis for GMPs, then make sure you're recording those calculation results in your database for future retrieval.  If you're correcting past pension entitlements, keep those numbers in a consistent way so you have less of a job when you provide this information to Dashboards.

If your scheme is going through a de-risking exercise, take the opportunity to make sure the personal and contact data and scheme membership data is all present and updated in the system.

Data is critical to pension scheme management, and many pension schemes are undertaking data projects to improve the quality and completeness of data held. All data work should now look to consider how updates and improvement plans can align to the requirements for Dashboards.

## 5. There's no benefit in waiting

Even though your compliance date with the Dashboards' requirements won't be until 2023 onwards, it'll be more efficient to rectify any data issues now as part of other work. Data issues can take a long time to resolve depending on the requirements for sourcing and cleansing data issues and gaps identified. This data work will need to be done, so the quicker you get started the quicker you can resolve and improve the ongoing management of the pension scheme, whilst being ready for Dashboards.

There may also be industry bandwidth constraints when all providers are required to comply from 2023, so there'll be advantages in being ahead of the game to be able to comply easily.

The summary of Dashboards data requirements below sets out what steps you should take now.

**Timeline**
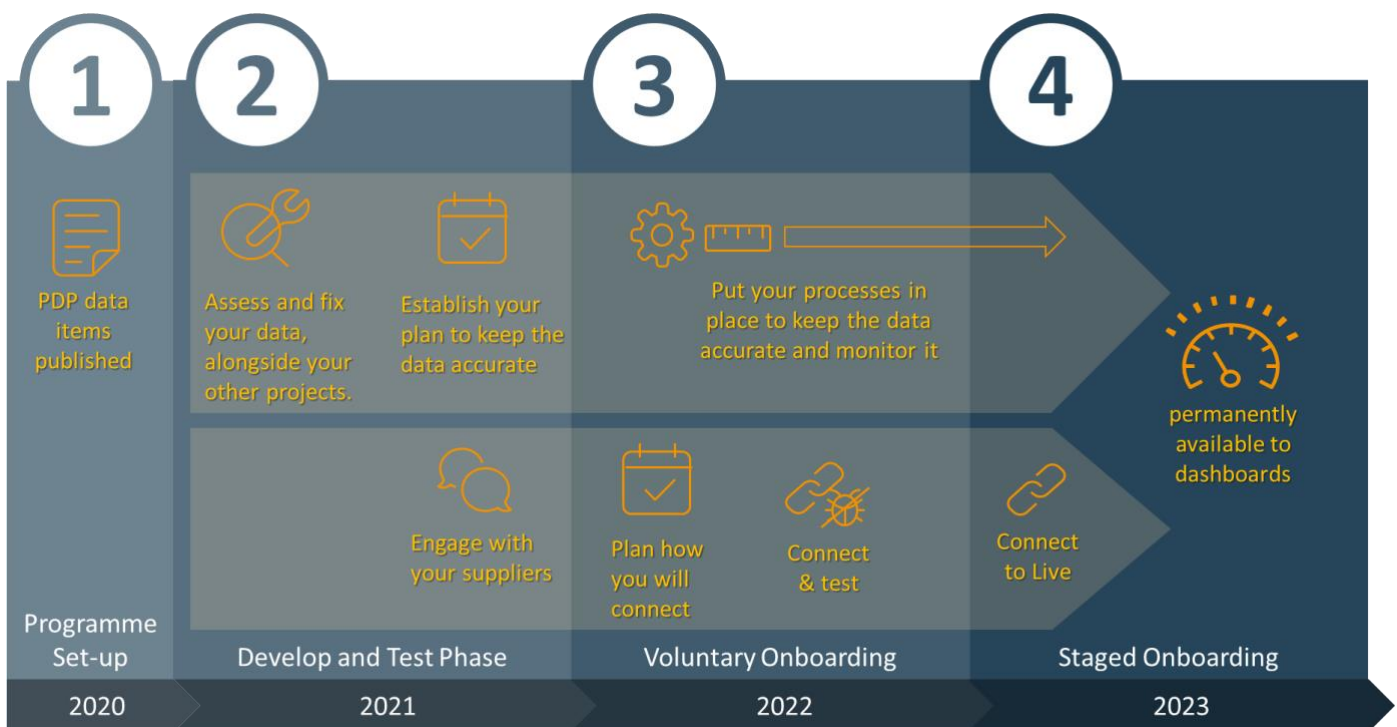


(For more information on Phases 2, 3 and 4 of the Pensions Dashboards Programme (PDP) shown above, see the PDP's indicative timeline for Dashboards published in October 2020)

## 6. What do you need to do when?

| | |
|---|---|
| **2021** | As early as possible in 2021, you should make a plan to ensure your data is 'Dashboard compliant'. You should consider Dashboards' requirements alongside all other data work you currently have in train. Talk to your administrator and/or admin software team to understand how the Dashboards requirements fit into your overall data strategy. This is a major initiative requiring changes to the way you operate today: it'll take time to implement the necessary changes correctly. |
| **2022** | Consider if you wish to voluntarily connect to the Dashboards ecosystem (i.e. before Dashboards compulsion legislation comes into force). You may wish to work with your admin software team to be at the front of this queue on this. |
| **2023 onwards** | If you haven't already voluntarily connected by 2023, you **must** connect to the Dashboards ecosystem from your scheme/provider-specific staging date. DWP is expected to consult on details of the staging approach during 2021. |

## 7. Dashboards data requirements

The Government's Pensions Dashboards Programme (PDP) published the initial data standards for pensions Dashboards in December 2020.

This PASA Guidance is structured around the 'three As' introduced in our November 2020 PASA Update (from the PASA Pensions Dashboards Working Group), namely:

| | |
|---|---|
| **Accessibility:** | Are all the pensions, for which you are responsible, **accessible** automatically? |
| **Accuracy:** | Are the personal data items completely **accurate** on every record you hold? |
| **Availability:** | Is the accrued pension entitlement amount **available** on every record you hold? |

### Accessibility of all pensions

When an individual logs on to a pensions Dashboard, the Dashboards 'ecosystem' will send a digital 'find request' to all pension providers, enabling each provider to ascertain if they have a pension for the individual. Watch the PDP's 2-minute Introduction video for an explanation of how this will work.

For a pension provider to be able to automatically match these find requests against their records, all the pension entitlement records for which they're responsible must be accessible digitally.

As a provider, your first task is to ensure all your pension records are stored on your admin system. Where you have multiple admin systems, this may require some initial analysis as to whether you connect each system to the ecosystem or put something else in place across your underlying systems to connect to the ecosystem from a single point.

PDP's data research, published in October 2020, confirmed a proportion of providers still have non-digital records, which are stored on, for example, paper files, microfiche, spreadsheets, etc. You should **conduct an organisation-wide exercise to ascertain if you have any non-digital records**, and, if so, **load these records on to your main admin system so they are accessible** digitally.

### Accuracy of all personal data items

For a provider to be able to automatically determine if they have a pension for an individual using a Dashboard, they'll need to match the personal data in the Dashboards ecosystem's 'find request' against the pension records they hold. Watch the PDP's 90-second Data Standards video for an explanation of the 'find data' which will be passed to all providers to undertake matching processes.

Firstly, you should **determine which personal data items you'll match against** (for example Surname, Date of Birth and National Insurance Number). Then, you need to **consider how you can assess and continually ensure these data items are always accurate** on every record you hold.

If any of the personal data items you hold are inaccurate, you won't be able to make a positive match and return the pension for the individual to view on their chosen pensions Dashboard. As well as not returning data when you should, this might also mean you return data for the wrong person, breaching GDPR.

> **IT'S TRUSTEES'/PENSION PROVIDERS' RESPONSIBILITY TO ENSURE ACCURATE MATCHES ARE MADE.**

**Examples**

We will publish examples of what other schemes and providers are doing.  Here are the first two:

**'2 for 1' idea:**

Some schemes have recently undertaken communication exercises with their members and whilst doing so, have taken the opportunity to check contact information and data accuracy.  One provider has recently written to/emailed its membership to re-promote online services.  While doing so they also held a prize draw competition to get members to register for online services or log in again to double check their contact details and personal information is correct.

You may shortly be planning to communicate with to your members.  For example, with annual benefit statements, or to promote 'Greener' funds, or with information about GMP equalisation, or other scheme rule changes.  Why not take the opportunity to also ask them if you're holding the right information for them too?

**Data from trusted third parties:**

Many of us already use trusted third party data to supplement what we hold in our own systems.  For example, you may already use the Royal Mail's PAF data to do address look-ups.  Other examples include third party verification of bank account data.

Similar data sources also exist for other personal data items. Some are already using these sources as part of regular tracing exercises.  The companies offering those services use third party data sets to check whether the data you hold matches what other data stores hold.  Common data services include those provided by credit reference agencies, or companies which curate marketing data.  You might choose to take advantage of the services these companies offer to scan your data for inconsistencies such as surnames misspelled, members who may have moved house, inconsistent forenames, different dates of birth, and so on.

**Availability of accrued pension amounts**

If you make a positive match, you must return details of the found pension for the individual to view on their chosen Dashboard.  The data items to be returned are listed in the PDP's data standards guide.

As well as basic (non-monetary) information about the pension (such as the pension type, contact details, etc.) you must return the pension amount.  Further industry-wide work is underway to ascertain how best to communicate an Estimated Retirement Income (ERI) for each pension, but what's certain is you must at least return the amount of pension the individual has built up so far (be it a defined benefit (DB) income amount or a defined contribution (DC) pot amount).  You should **ensure an accurate accrued pension amount is available digitally on all your pension records.**

Some schemes store benefit statement results as PDFs, so statements are available online, or for re-printing.  This **won't** be enough for Dashboards.  You'll need to store the benefit values in your admin system to be returned to a requesting dashboard on demand.

## 8.  What should you do next?

| | Accessibility of all your pension records | |
|---|---|---|
| 1 | **Conduct** an organisation-wide exercise to ascertain if you have any non-digital records | **1.1** Do you have records on spreadsheets, microfiche, or other non-digital storage? <br> **1.2** Consider all records you are responsible for |
| 2 | **Load** any non-digital records on to your main admin system so they are accessible digitally | **2.1** Upload all records to your admin system <br> **2.2** Ensure all future records are always stored on your admin system |
| | **Accuracy of all personal data items** | |
| 3 | **Determine** (with your admin software team) which personal data items it'll be most appropriate for you to match on | **3.1** Can you reuse any existing processes for matching records you use? <br> **3.2** What standard matching approaches are used by your software supplier? <br> **3.3** Consider potential differences between different parts of your pensions business |
| 4 | **Consider** the processes you can adopt to assess and continually ensure your chosen personal data items are always accurate on every record you hold | **4.1** Are you communicating with members soon when you could also check personal data? <br> **4.2** Could you use third party data sources to verify the personal data you hold? |
| 5 | **Plan** how you would like dashboard users to interact with you after you make a positive match against pensions you hold (so you return the right contact details) | **5.1** Which communication channel(s) would you prefer to be contacted through? <br> **5.2** Be inclusive to support members' preferred channels |
| 6 | **Review** the Administrative (non-monetary) data requirements in the PDP standards guide to ensure you can return information for all the required data items | **6.1** <u>Contact PASA</u> with any specific questions you have about the Administrative data items and we'll include answers in subsequent iterations of this Guidance note |
| | **Availability of accrued pension amounts** | |
| 7 | **Ensure** an accurate accrued pension amount is available digitally on all your pension records (be it a DB income amount or a DC pot amount) | **7.1** Do you hold the calculation date and payable date for all pension amounts? <br> **7.2** Will you calculate amounts on demand or use stored amounts, for example from the member's most recent benefit statement? |
| | **Engagement with your administration and technology teams / suppliers** | |
| 8 | **Begin** engagement with your suppliers | **8.1** Talk to your pensions administrator and software/IT suppliers to understand their ideas & plans for connecting your systems to the pensions Dashboards ecosystem |

### 9. Questions, Further Information and Updates to this Guidance

#### Questions:

If you have any **specific questions,** please forward them to info@pasa-uk.com.

#### Further information:

All the PDP publications about data can be found at the data standards area of the PDP website. The PDP website contains much useful information on the Programme as a whole.

The PDP also publishes a six-monthly Progress Update Report (PUR) with wider details on all the latest Programme developments.  The latest PUR was the PDP October 2020 Progress Update Report.  The **next PDP Progress Update Report** is due in April 2021.

#### Updates to this Guidance:

As the PDP, DWP, FCA and TPR publish more information (for example on staging dates, technical connection standards, etc.) we will **maintain this PASA Guidance** and issue updated versions of it.

Get in touch:

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