

# Q&A Session:

## Recommendations for staging

09/06/2021

Question Asked	Answer Given
<p>How will you ensure a fair market place for public sector schemes to procure an ISP provider and not be limited to their software provider?</p>	<p>We anticipate a number of ISP providers emerging over time that will provide alternative solutions to schemes (both public and private) to using their incumbent software provider or third party administrator. Our recent call for input has asked a number of questions to improve our understanding and the pace at which the ISP Market will develop.</p>
<p>Where are buy-out policies fitting into this? Is it all in Wave 1 Cohort 1?</p>	<p>On our recommendations, buy-out policies would fall in the first cohort (personal pensions), and are in scope because there has not been a benefits crystallisation event.</p>
<p>Many retail pensions in drawdown will consist of both accumulation and decumulation pots. Can you clarify if these will be in scope or not? If not this will exclude the pre-retirement pots for these members? c300k members FCA regulated members pa enter drawdown/UFPLS so clarity would be helpful here.</p>	<p>A pension which has had uncrystallised funds pension lump sums (UFPLS) withdrawals remains in scope, but a pension which has been crystallised and moved into drawdown is not.</p>

Wave 1 is proposed to take up to two years from April 2023 but wave 2 is starting in 2024. Why is there an overlap? It looks as if some wave 1 schemes will onboard before wave 2.

The CFI states that we do not expect Wave 2 to begin before 2024, rather than that it should start in 2024: our recommendations are not prescriptive as to the timing. The timing for Wave 2 we think should be dependent upon the timing for the cohorts in Wave 1. Similarly, we have not been prescriptive as to whether the waves should be consecutive or whether there could be some overlap.

Are there any models to show what coverage of members will get full coverage of all their pensions over time?

The CFI contains a graph showing the cumulative proportion of entitlements that our recommendations would deliver

What expectation is there on SLAs to return data from a match request and what penalties could providers be open to if false negatives/positives are returned for customers or no response is given?

The DWP regulations/FCA rules will determine requirements of data providers and the compliance regime, which will be underpinned by the UK GDPR (Data Protection Act 2018).

Public sector schemes - do you plan to onboard a scheme ie police or health across the UK or just by jurisdiction ie e/w first followed by Scotland and NI/Wales.

Ideally we would want to stage public sector schemes serving the same workforces at the same time (eg police, health). Meetings are being held with the devolved administrations to discuss the practicalities of this.

Taking on board findings from the Call for Input, the DWP will finalise the approach to staging and consult on draft regulations later this year.

DWP is in the lead for this are devolved governments also having to apply this?

The DWP is responsible for compelling occupational schemes in GB to connect and make data available to members via dashboards. Additional legislation in Northern Ireland will be required to introduce compulsion for occupational schemes in NI. The FCA is responsible for compelling UK providers of personal pensions.

For a segregated multi-employer scheme, has it been considered whether scheme size should be based on the segregated parts or the aggregate scheme size for staging?

Our analysis has been per scheme – although some segregated schemes are treated as multiple schemes for certain regulatory compliance purposes. We’re working on the assumption that it’s easier and better for all to have to only onboard once.

What date do you expect the public to access data on dashboards?

A critical mass of pensions findable and viewable via dashboards will be necessary before public launch. Our recommendations would deliver this with 99% coverage by the end of Wave 1 and we anticipate dashboards being made available to the public within this first wave.

When will detailed technical specifications as to how to onboard be available as that will heavily influence when schemes will understand development requirements and therefore when they will be able to meet the requirements?

We have published the latest available information on requirements of data providers. Following the successful onboarding of the architecture supplier(s), PDP will be able to publish further technical guidance relating to the digital architecture, which will support data providers in preparing their own find and view data interfaces, which will directly connect to the ecosystem.

Will it be possible to find state pension data within the identity verification process. This would verify NI number before the rest of the pensions industry received a find request?

The identity verification process will not 'find' any pensions (state or private pensions). The 'find' process does not start until the identity verification has been successful and will involve all pension providers at the same time. DWP's 'find' (where there is a match for State Pension) will not provide validation of the NINO provided. The PDP will however continue to explore whether NI number could be verified to any extent by the identity service it procures.

i represent a large TPA - for some reference. a third of our schemes fall under small/micro - yet it covers 0.5% of membership. should they be looking to stage post 2025.. the proportion is really going to shrink. Do you think the Dashboard will expect these sized scheme to really go through the dashboard onboarding processes, or when the volumes are on from stage 1 and 2, there will be a revisit of coverage?

Our expectation is that small and micro schemes will be in scope and will be staged enabling people to see their pensions on a dashboard. The CFI presents an opportunity to feed in evidence to inform the timing of this and the potential impact of other external factors such as scheme consolidation. Taking on board findings from the Call for Input, the DWP will finalise the approach to staging and consult on draft regulations later this year.

Has any work been done to test the quality of data (endorsing your contention that certain types of pensions have cleaner data)? Our experience is that the duration of the contribution records is a good indicator of data quality - do you agree that the older the data, the more problematic it may be?

We looked at evidence from the regulators on data quality as an indicator of scheme readiness, and, generally, scheme age was an indicator of more deliverability challenges.

When is the likely dashboard availability point?

A critical mass of pensions findable and viewable via dashboards will be necessary before public launch. Our recommendations would deliver 99% coverage by the end of Wave 1 and we anticipate dashboards being made available to the public within this first wave.

As early as is feasible within the first wave? Can we quote you on that?

We believe that the dashboards available point should be achieved as early as is feasible within the first wave.

Crazy not to include PPF pensions in the dashboard! Do consumers think they aren't getting a pension from the PPF?

The scope of dashboards may include schemes in PPF assessment as they remain as occupational pension schemes. Schemes that have transferred into the PPF are not in scope of the primary legislation (the Pension Schemes Act 2021) and will not be included in initial dashboards.

Can you imagine how a consumer who had lost DB benefits from a company scheme, would feel if no PPF replacement pension was shown. Can we think of this from the consumer rather than the legal view?

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When will the state pension be viewable - from the DAP?

State pension information is expected to be connected alongside the first cohort, but will not be viewable by the public until public launch (dashboards available point).

Good morning, would you expect all schemes in cohort 1 for example to be onboarded before cohort 2 starts?

We have not been prescriptive in the CFI as to whether the cohorts should be purely consecutive or whether there could be some overlap, eg with the largest schemes from the next cohort onboarding alongside the smaller end of the previous cohort.

Will schemes be given a specific staging date within their cohort, or simply a period (e.g. 6 months) within which they have to stage?

DWP regulations/FCA rules will specify the requirements of schemes/providers. Our expectation is these will set out the latest date by which a provider must have staged (which will require taking steps to connect before this date).

How do the waves relate to FCA principle of treating customer fairly, with members of smaller schemes likely to be disadvantaged in terms of being able to see their entitlements at a later date than others?

Our staging recommendations aim to achieve the dashboards available point as soon as possible whilst not placing too great a burden on the industry and regulators. FCA regulated providers of personal pensions, according to our recommendations, would stage as one, all at once, regardless of size.

The view data does not address frozen refunds. In the public service there are thousands of frozen refunds to which members are not entitled to a benefit,. The find service will find these members but what should the view data display?

Thank you for raising this with us, as this is an issue where we don't currently have a view but we do need to consider given the number of users affected.

Will schemes have a specified contact with whom they can work to achieve onboarding?

Given the number of suppliers to onboard, it is intended to automate the onboarding process as much as possible. However, there will be a service desk and it is likely that the onboarding process will be facilitated by a direct contact.

How will schemes stage who are operated by sub-scheme administrators. EG. the LGPS has 101 sub scheme administrators, do they all onboard together or not?

It would seem logical to stage schemes such as the LGPS as one ie for all the 'sub-scheme administrators' to onboard together. Meetings are being held with the responsible authorities and scheme advisory boards of these schemes to discuss the practicalities of this.

Will PPF compensation be included for scheme members already in the PPF?

The scope of dashboards may include schemes in PPF assessment as they remain as occupational pension schemes. Schemes that have transferred into the PPF are not in scope of the primary legislation (the Pension Schemes Act 2021) and will not be included in initial dashboards.