



Department
for Work &
Pensions

The pensions industry – getting ready for dashboards

Consultation on the draft Pensions Dashboards Regulations 2022

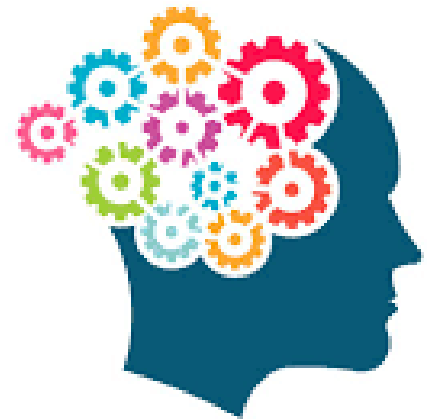
Thursday 17 February 2022

10am -11.30am

Please put questions in the chat box or email them to pensionsdashboard@dwp.gov.uk

Scope and objectives of this webinar

- The session will cover:
 - Scope of the Regulations
 - How dashboards will work & the digital architecture
 - The find and view process & effective matching
 - Standards: oversight of and publication of standards
 - Data – ‘Find and View’
 - Data - accrued and projected data requirements
 - Connection
 - Staging timeline
 - New schemes, hybrids and other considerations
 - TPR - compliance and enforcement
 - Reporting & monitoring
 - TPR approach to driving compliance



The session is being recorded and there will be some time for Q&A at the end of the presentation.

Purpose and scope of the Regulations and timeline

The Regulations extend to England, Scotland and Wales and set out:

- requirements for pensions dashboards service providers;
- requirements for trustees or managers of occupational pension schemes with at least 100 relevant members;
 - relevant members include active and deferred members of occupational pension schemes, not pensioner members

NB: the FCA consultation sets out comparable proposals for FCA regulated pension providers in respect of personal and stakeholder pension schemes.

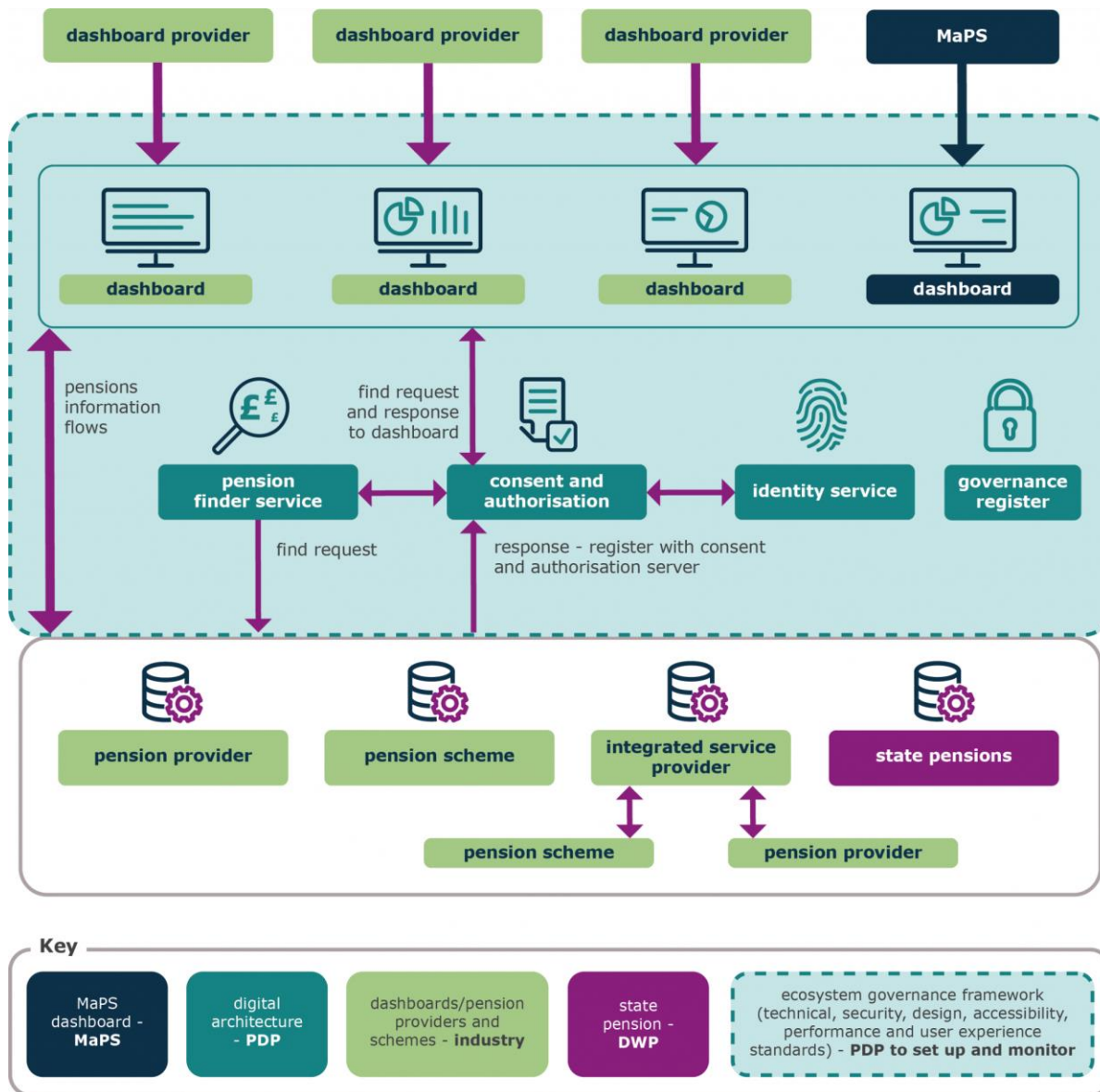
- provisions for the Pensions Regulator to take enforcement action

Expected timeline:

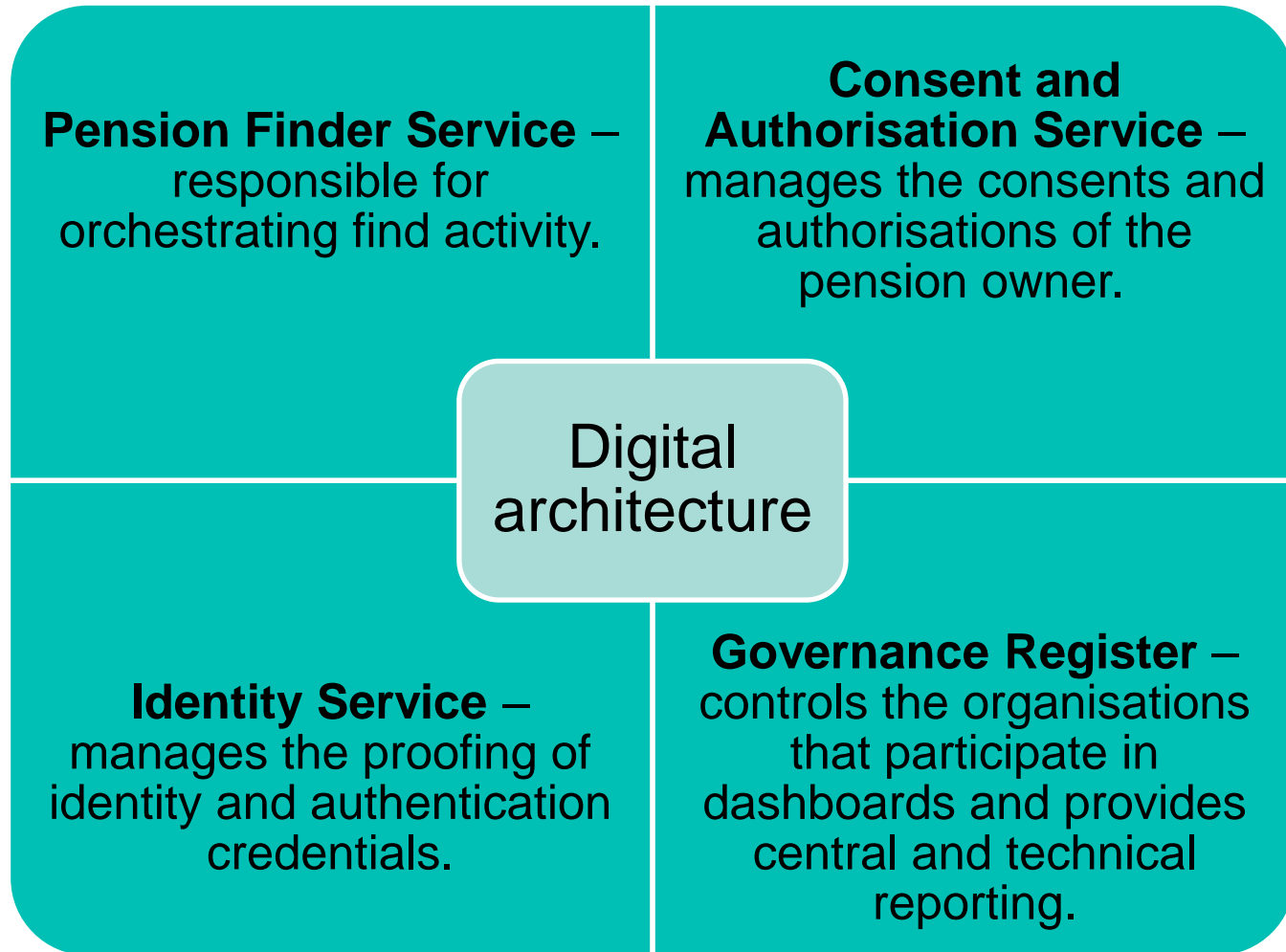
- Consultation closes 13 March 2022
- Consultation response expected to be published Summer 2022

How dashboards will work

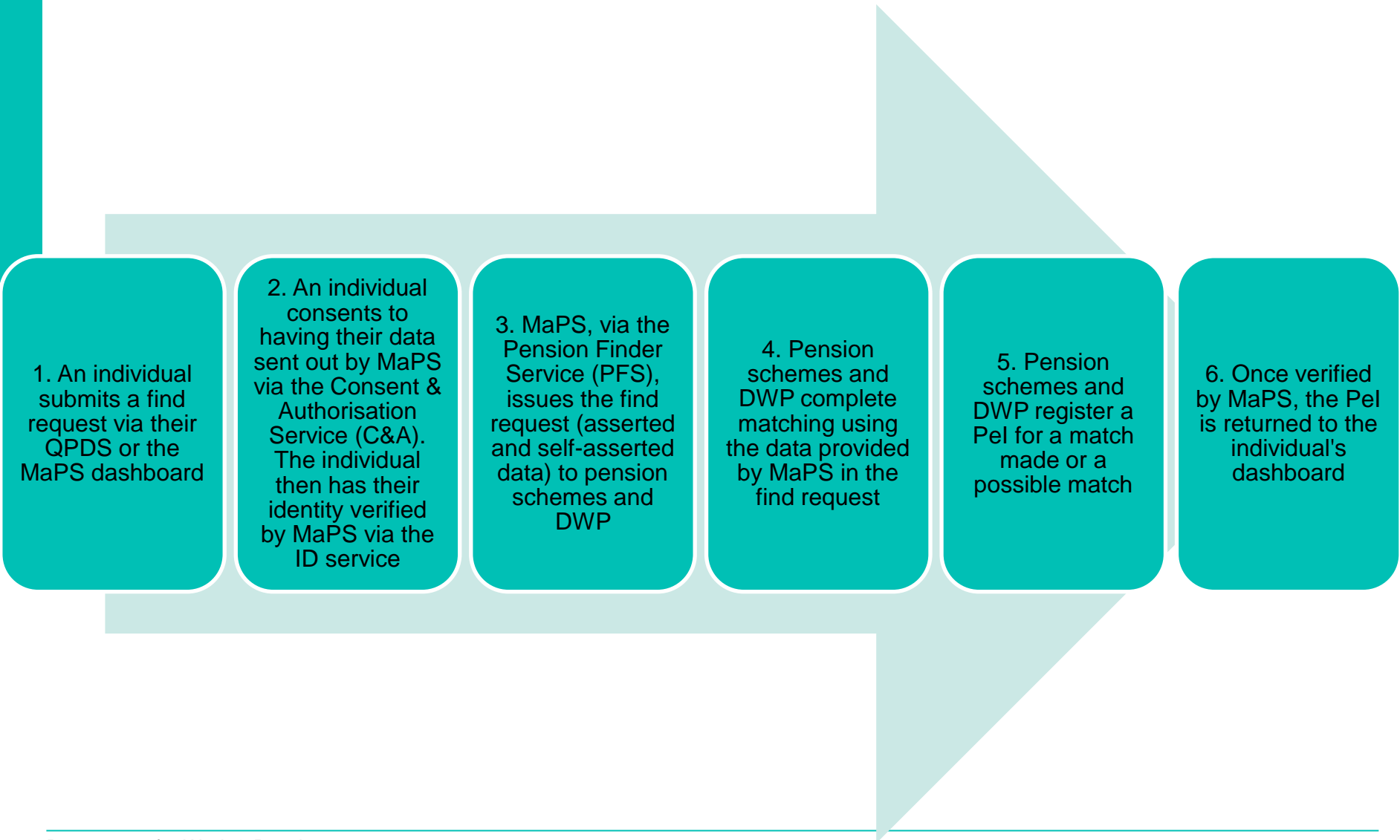
- The dashboard digital architecture will verify the individual's identity and obtain their consent to complete a search.
- Individuals will make a request to find their pensions, then once they've received a confirmed match, they can request to view more detailed data about their pension.
- All pensions information for the individual can be seen side by side on the dashboard, including information about expected income in retirement.



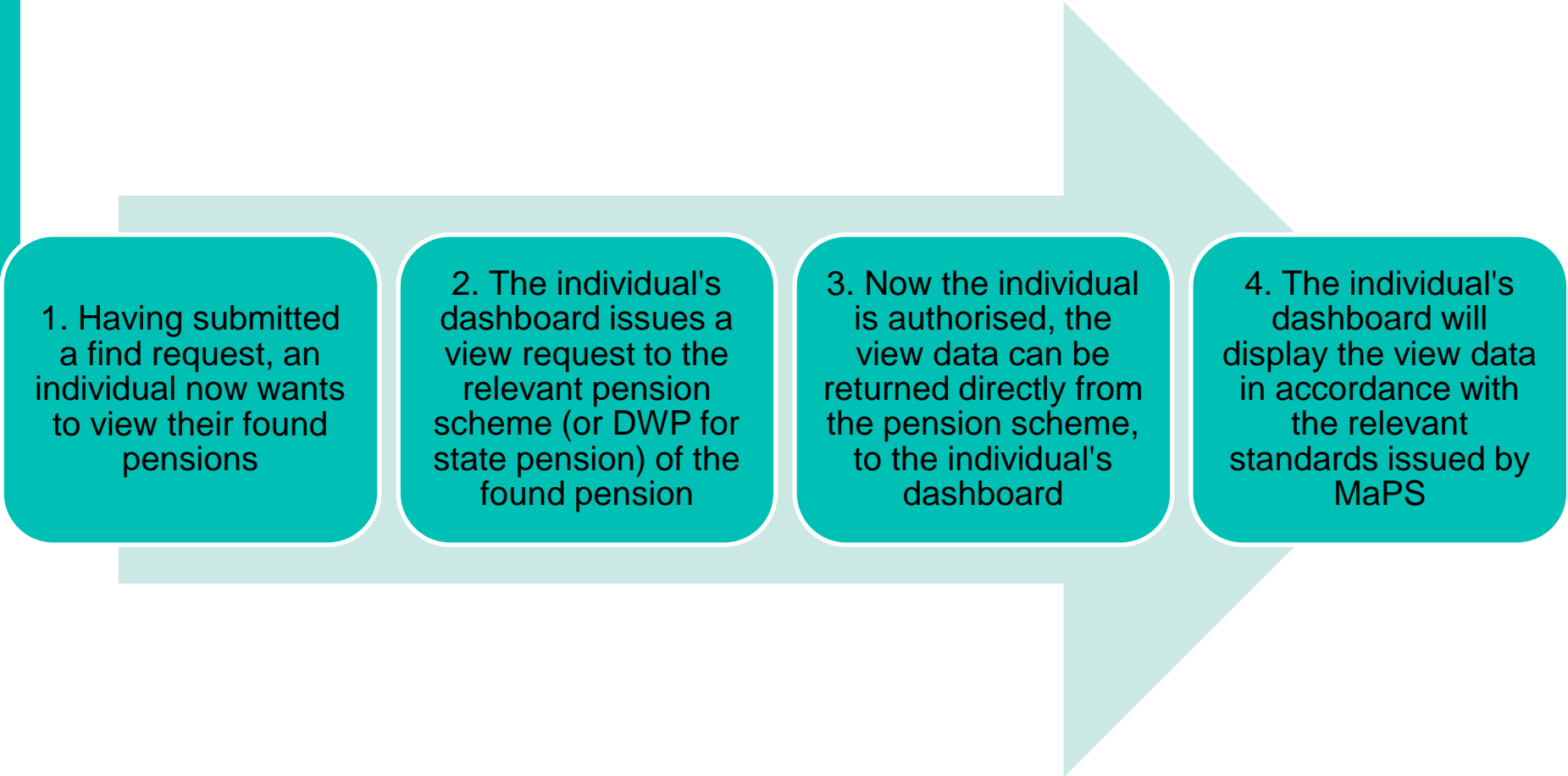
The digital architecture



Find process overview



View process overview



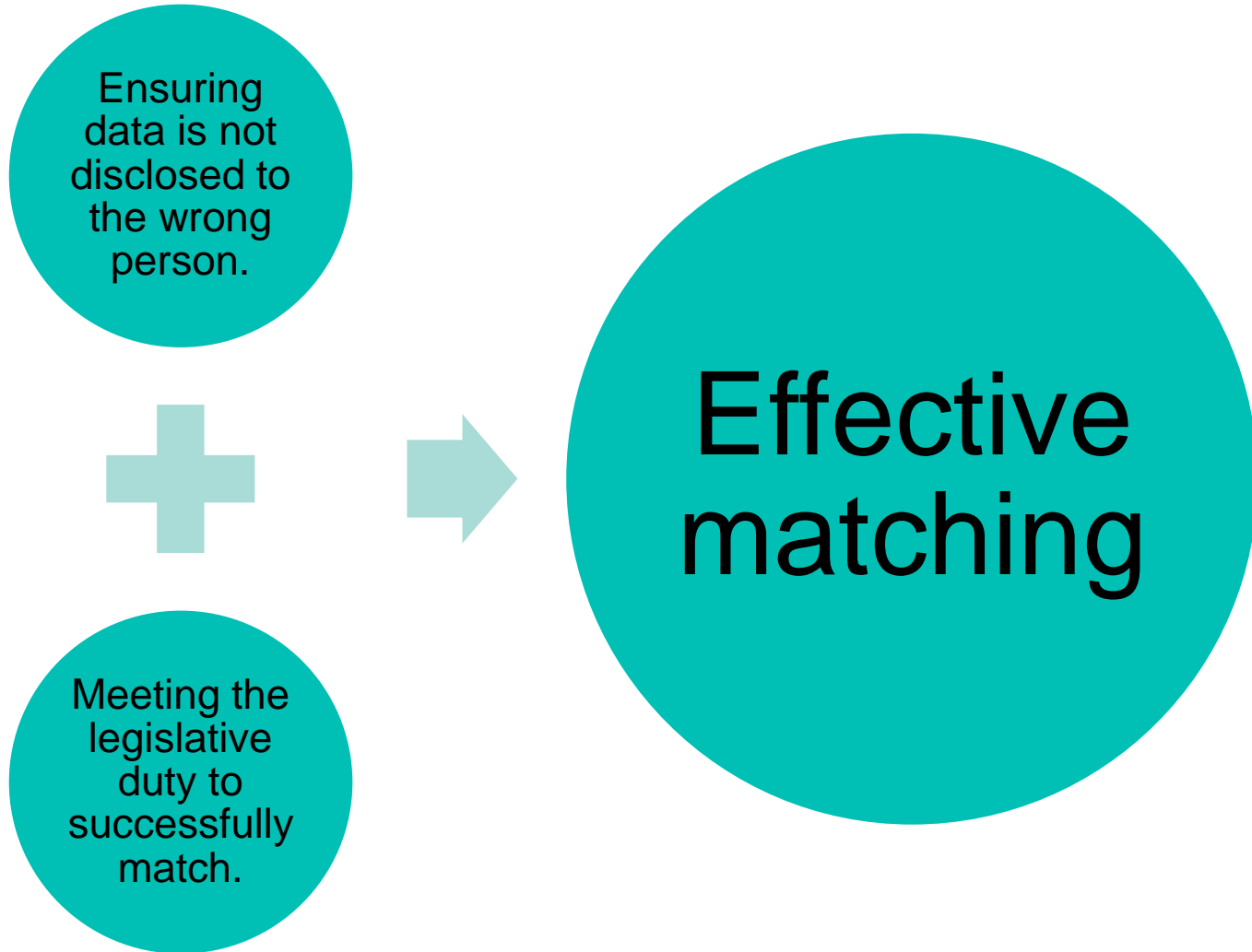
1. Having submitted a find request, an individual now wants to view their found pensions

2. The individual's dashboard issues a view request to the relevant pension scheme (or DWP for state pension) of the found pension

3. Now the individual is authorised, the view data can be returned directly from the pension scheme, to the individual's dashboard

4. The individual's dashboard will display the view data in accordance with the relevant standards issued by MaPS

Find & View – UK GDPR and Matching



Standards: what are they and oversight of standards

What are standards?

- Standards will provide further detail on how both pension schemes and QPDSs must comply with their legislative duties. They provide a greater level of technical or operational detail that would not be appropriate to outline in Regulations.

Why are they important?

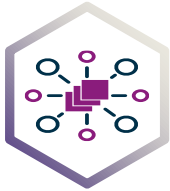
- Compliance with standards is mandatory because:
- Failure to comply could pose a risk to the security of the dashboard ecosystem, or;
- Compliance is essential to ensure that dashboards are delivered successfully and dashboard users are provided with the right information, presented in the right manner.

Oversight and approval

- We propose that the DWP Secretary of State will have oversight powers.
- The Regulations would require the Secretary of State to approve the first set of standards and subsequent iterations containing amendments that are more than minor technical changes.

MaPS standards publications –

PDP has produced...



The **code of connection** will combine the required security and operational standards, which ecosystem participants will have to adhere to. It will provide a standard of expected behaviour to protect all ecosystem participants.



The **data usage guide** provides clear guidelines on data items, which allow ecosystem participants to understand the format and meaning of each data item they share and exchange. It includes relevant data items for both find and view processes



The **design standards** will provide information to dashboard providers about required layouts, content elements, messaging and user journeys, to ensure a consistently positive experience, regardless of which dashboard an individual chooses



The **reporting standards** will provide a clear description of the data that both data and dashboard providers must supply to regulatory bodies, in order to monitor the effectiveness and health of the ecosystem. This will include data to provide analytics, benchmarking, oversight and monitoring, and critical success factor reports.



Our **approach to standards** sets out how PDP has worked on the information about standards, plus their scope and how we'll go about setting them.



The **technical standards** are what data and dashboard providers will use to interface with the central technical architecture and/or each other. They will define the open APIs for find and view, PDP's profile of the user managed access (UMA) protocol and the format of the pension identifier (PeI).

MaPS standards publications

Timeline

Jan
2022

Work in progress on standards and guidance published on PDP Website

Summer
2022

Consultation on standards and guidance

Autumn
2022

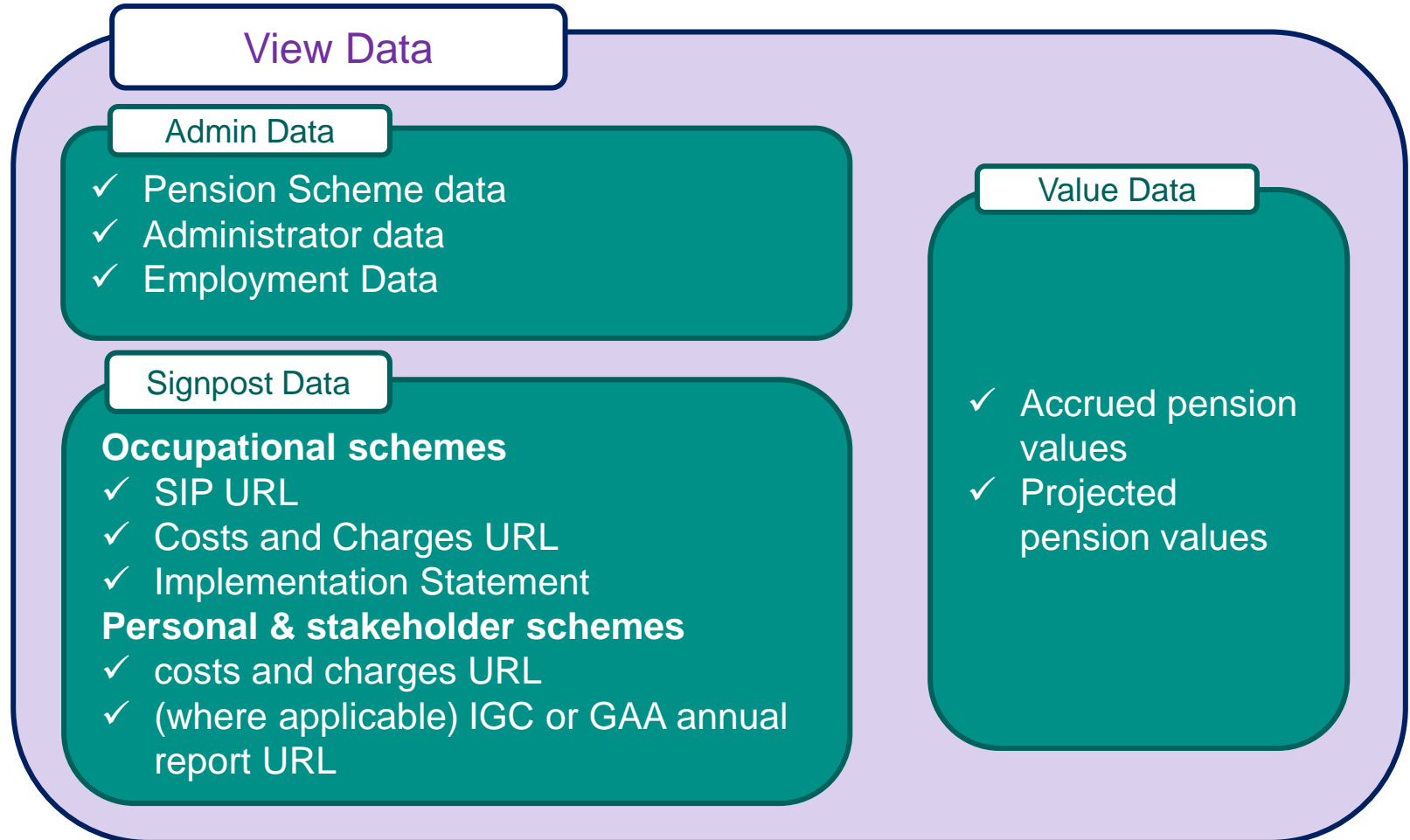
Final standards approved by Secretary of State

Data – introduction, find data and view data

There will be two types of data on dashboards: find data and view data.

Find data is personal data, provided by the individual, to the digital architecture, and sent to schemes by the Pension Finder Service. Schemes use this data to search their records for a match, and if successful, subsequently return view data.

View data consists of administrative data, signpost data, and value data.



Value data – accrued and projected data requirements



Accrued: the amount of pension built up so far. Expressed as a pot and/or annualised amount.



Projected: an estimate of the value of a member's pension benefits at the individual's normal pension age. Expressed as a pot and/or annual income amount.



| Scheme/member type | Value | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Accrued | | Projected | |
| | Pot | Annualised | Pot | Annualised |
| Money purchase members | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> If held | <input checked="" type="checkbox"/> |
| Non-money purchase – active members | | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> |
| Non-money purchase – deferred members | | <input checked="" type="checkbox"/> | | |
| Cash balance – active members | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Cash balance – deferred members | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| CDC – active members (DWP regs only) | | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> |
| CDC – deferred member (DWP regs only) | | | | <input checked="" type="checkbox"/> |

Data – Further details

Methodology and exemptions

- For money purchase schemes, the methodology for calculating projected, and annualised accrued values will follow updated ASTM1.
- These values, for these scheme members, will not become mandatory on dashboards until October 2023, to align with the introduction of updated ASTM1 guidance.
- Exemptions which mean money purchase schemes *don't* have to provide projections broadly follow existing practice in Disclosure, but schemes can still provide this information voluntarily.

Hybrid schemes and benefits

- Hybrid schemes offer both money purchase and non-money purchase benefits. If an individual has 2 separate benefits, then the scheme trustee or manager should return 2 separate values.
- Where 'hybrid benefits' are calculated with reference to money purchase and non-money purchase formulas, only the greater value should be provided.

Public Service Pension Schemes

- Are subject to the same data requirements as non-money purchase schemes.
- Where relevant, MaPS data standards will allow more than one value for the same entitlement to be displayed to reflect the McCloud remedy and Deferred Choice Underpin.

State Pension

- State Pension information to be provided on dashboards is:
 - The estimated State Pension amount the individual may get at their State Pension age;
 - The forecasted State pension amount at State Pension age.

Find & View – Response times

Administrative data



Administrative data should be returned immediately.

Value data

Response times

We propose that value data returned to an individual should be from a value that has been generated for a benefit statement within the last 12 months or for another purpose but using the same methodology, within the last 12 months. If such a value has been generated, the expectation is that the data will be returned immediately

Exceptions

Where a relevant value has not been calculated or provided on a benefit statement within the last 12 months...

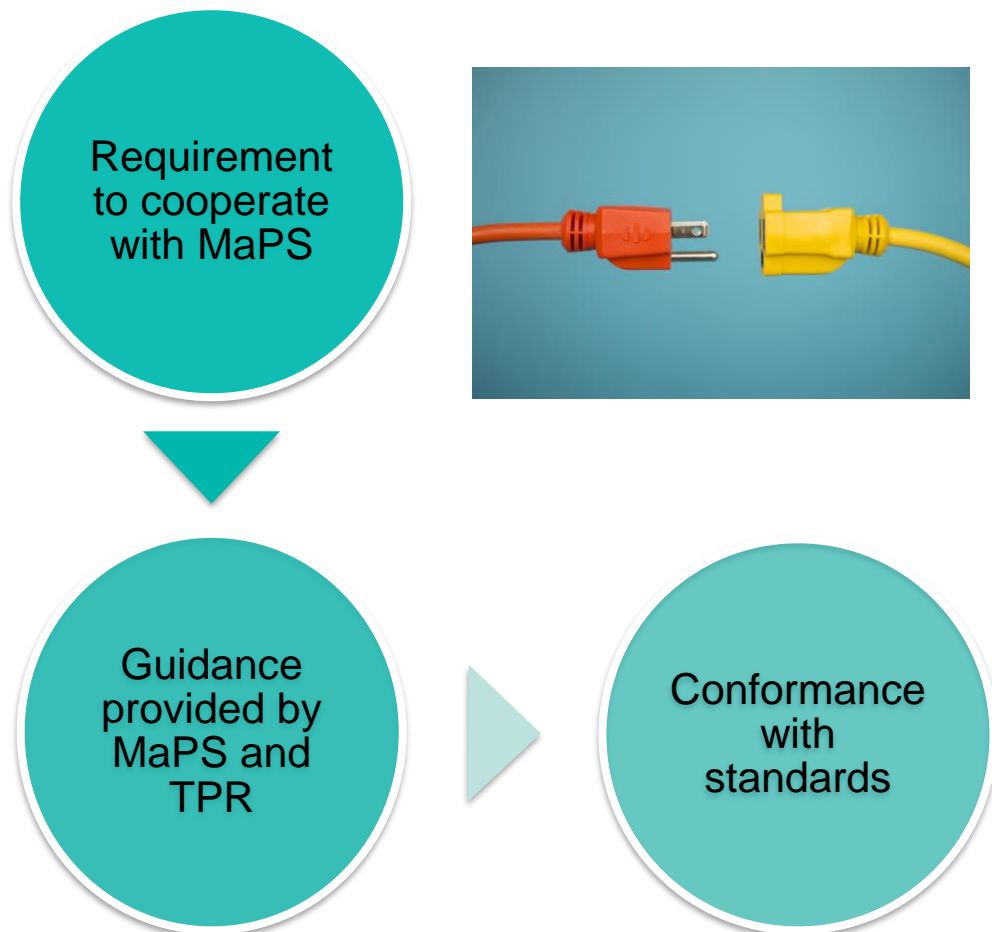
All pension schemes will have up to 3 days to return value data

Non money purchase schemes will have up to 10 days to return value data

Schemes offering hybrid benefits will also have up to 10 days

Connection

- Schemes will have a connection window before their deadline.
- Schemes may connect early with the consent of MaPS
- Connection is not reversible (with some exceptions)
- Small and micro schemes may connect to the digital architecture voluntarily and bring themselves into scope of the Regulations



Staging – the sequencing of scheme connection

- We are proposing a phased approach to connecting different categories of schemes to the digital architecture. This is known as ‘staging’.
- We are focused on maximising coverage in as short a timescale as possible while ensuring our approach is deliverable.
- The point at which dashboards are launched publicly is what the PDP has termed the ‘Dashboards Available Point.’
- Information on State Pensions will be included on dashboards from day one of launch.

Priority staging objectives

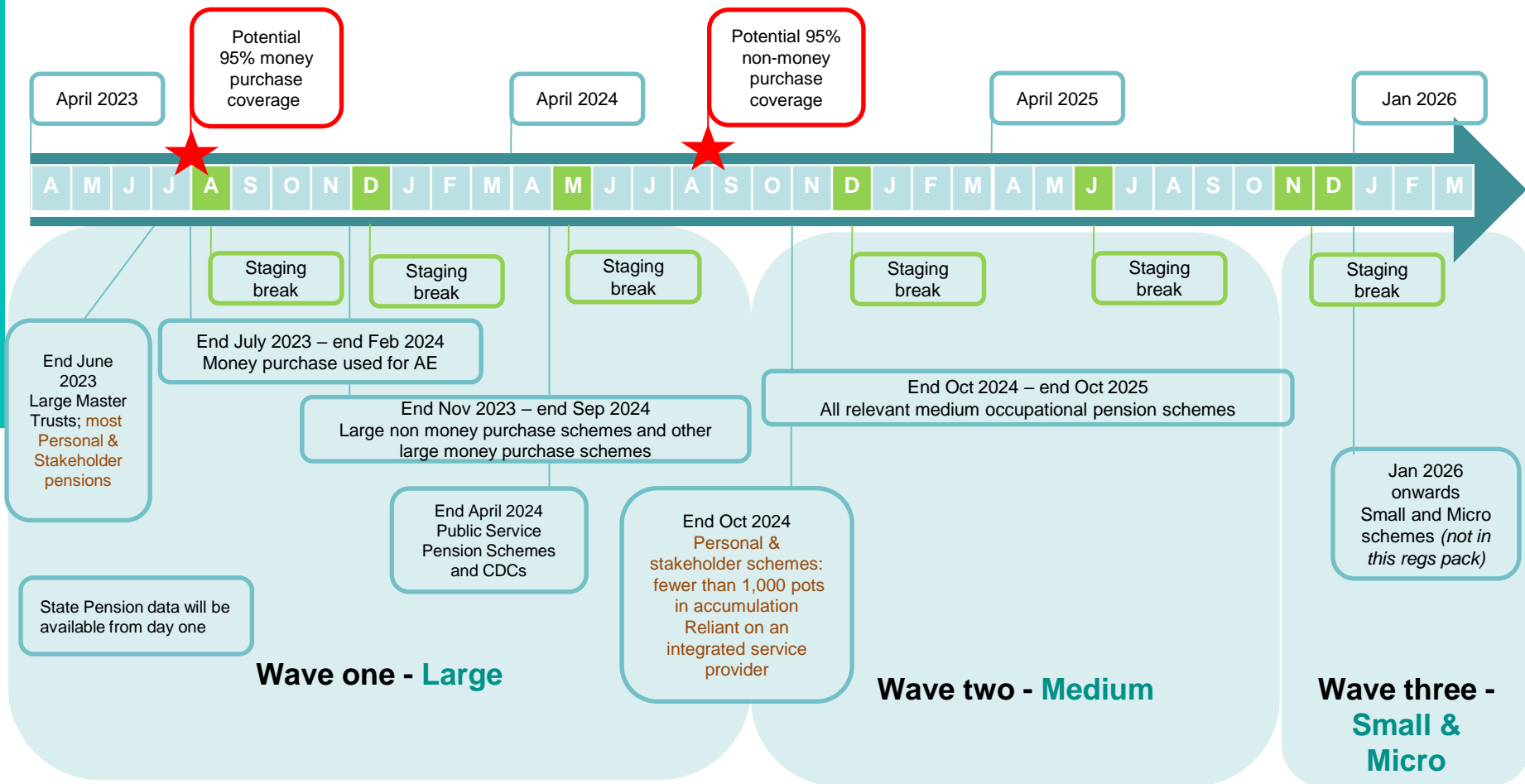
Pace

Deliverability for industry

Deliverability for the regulators (TPR and FCA)

Deliverability for the Pensions Dashboards Programme

Staging timeline



New occupational schemes and hybrid schemes

New occupational schemes/schemes that change size

- Schemes may change in size during the staging profile, and there will be new schemes which emerge in scheme years following that of the reference date (after the scheme year 2020/2021).
- The regulations ensure that these schemes are provided for. For example, for new schemes within the two years following the reference date, the staging deadline would be the latter of either:
 - six months from the end of the scheme year in which they came into scope; or
 - the staging deadline for the equivalent 2020/21 cohort.

Hybrids

- We intend for staging duties to apply to both the money purchase and non-money purchase sections of the scheme at the same time, for whichever is the earlier connection deadline. This is to benefit members who may otherwise find it confusing if they only saw one of the entitlements they accumulated under their scheme via dashboards.

Staging – other considerations and deferral

Further staging considerations

- Data quality
- Non-money purchase (DB) schemes
- Public Service Pension Schemes (PSPS)

Applications to defer staging deadline

- In limited circumstances, the DWP Secretary of State could grant deferrals to individual schemes for their staging deadline if they had existing plans to change administrator which conflicted with their staging deadline.
- The Secretary of State may grant a deferral only once and for a period of no more than 12 months.

TPR - Compliance & Enforcement

| Compliance Notice | Third Party Compliance Notice | Penalty Notice |
|--|--|--|
| <ul style="list-style-type: none">• Can be issued by TPR to trustees or managers of occupational pension schemes for breach of the Regulations.• Non-compliance with a compliance notice may lead to issuing of penalty notice. | <ul style="list-style-type: none">• May be issued if TPR is of the opinion that a breach of the Regulations by a trustee or manager has been caused by a third party.• Non-compliance with a third party compliance notice may lead to issuing of a penalty notice. | <ul style="list-style-type: none">• Up to a maximum of £5,000 for an individual, or £50,000 in other cases.• TPR may issue multiple penalty notices in one document if there have been multiple breaches of the Regulations.• Issued at the discretion of TPR. |

Schemes - Reporting requirements for schemes

- Reporting standards will require schemes to maintain certain records and report certain information.
- We expect primarily for MaPS to set reporting standards, but the Regulations allow for TPR to have a role if needed.
- An early indication of what we expect standards may cover is provided in the consultation document.
- The Regulations also set out some specific reporting requirements in relation to connection.

TPR approach to driving compliance

- Getting ready to comply with dashboard duties is a significant undertaking for industry, requiring changes in data, systems and processes.
- TPR will bring to bear all our experience from AE to help industry step up to the challenge through:
 - Targeted communications to our regulated community and their enablers on their duties, including their potential staging date
 - Working collaboratively with industry to solve problems
- We will be pragmatic in our approach to compliance and enforcement but will be robust when we face wilful non-compliance. We plan to publish our compliance and enforcement policy for consultation in due course.

Q&A

Please put questions in the chat box or email pensionsdashboard@dwp.gov.uk

Chair

Simon Boniwell (Deputy Director, DWP policy)

Panellists

- Chris Curry (Principal and SRO, PDP)
- David Reid (Head of Policy & Engagement, PDP)
- Lucy Stone (Business Lead – Pensions Dashboards, TPR)
- Caroline Donellan (Technical Specialist, Supervision, Policy & Competition Markets, FCA)
- James Holland (Pensions dashboards policy, DWP)
- Joe Stacey (Pensions dashboards policy, DWP)