

Sixty second summary

Dashing ahead with dashboards

The Department for Work and Pensions (DWP) has begun a consultation exercise on ‘indicative’ *Pensions Dashboards Regulations 2022*, detailing the obligations of occupational pension scheme trustees and dashboard providers.¹ It proposes to introduce the obligation to connect with, and supply data to, the dashboards system in stages, starting in the summer of 2023 with schemes with at least 20,000 active and deferred members. The consultation period ends on 13 March 2022.

Scope

Based on the draft Regulations, the requirements would eventually apply to all UK occupational pension schemes that have at least 100 active and deferred members and are ‘registrable’ (that is, covered by the register of occupational and personal pension schemes maintained by the Pensions Regulator). Public service pension schemes would be captured even if they are not registrable.

In its current form, the draft provisions would

- prescribe the conditions that must be satisfied by a ‘qualifying pensions dashboard service’ (QPDS)—an electronic communications service, run by an FCA-authorized provider, by means of which scheme members will be able to request and obtain information about their private and State pension benefits;
- require occupational pension scheme trustees or managers to register with the Money and Pensions Service (MaPS), connect to its dashboards infrastructure, and provide data to QPDSs;
- contain a ‘staging profile’ establishing the deadlines by which occupational pension schemes must register and connect to the dashboards system; and
- allow the Pensions Regulator to take action to enforce compliance.

Staged application of responsibilities

The staging profile contained in the indicative Regulations covers ‘large’ (1,000-or-more member) and ‘medium’ (100-to-999 member) schemes, and runs from 30 June 2023 to 31 October 2025. Defined contribution (DC) master trusts with 20,000 or more members (only actives and deferreds are counted for these purposes) would have to connect to the dashboards system by 30 June 2023, closely followed by DC auto-enrolment schemes with at least 20,000 members, for which the deadline would be 31 July 2023. The staging profile would then encapsulate smaller and smaller DC schemes as the months pass. Private sector defined benefit (DB) schemes with 20,000 or more members would reach their staging deadline on 30 November 2023. Public service pension schemes of all sizes would have to join by 30 April 2024.

The Regulations do not apply to schemes with 99 or fewer members, but the DWP’s consultation document says that staging of this group is likely to begin in 2026.

¹ <www.gov.uk/government/consultations/pensions-dashboards-consultation-on-the-draft-pensions-dashboards-regulations-2022>.

Trustee obligations

Very simply described, the operation of the dashboards system, from the scheme perspective, will revolve around ‘find’ and ‘view’ requests. In response to a find request initiated by a dashboard user, trustees (or more likely their administrator or other service provider) will have to interrogate their scheme’s records to see if they can identify a match with the personal data supplied by the user. This ‘find data’ will include ‘verified identity attributes’ checked by the MaPS—name, home address and date of birth—and ‘self-asserted data’, such as the person’s phone number, email address and National Insurance number. The trustees will have to decide the criteria to be used for matching (the Pensions Administration Standards Association has produced guidance that is likely to become a benchmark for the industry²).

When a match is made, trustees would need to confirm via MaPS that the member has consented to having their data provided to a dashboard service. If so, the trustees would have to provide ‘view data’ to the dashboard that issued the view request. View data comprises—

- ‘administrative data’—scheme name, benefit type, membership status, date of joining, normal pension age, contact details for the scheme administrator, and (if available) details of the member’s pensionable employment(s);
- ‘signpost data’—the website address for any information that trustees must disclose publicly online (details of costs and charges, the statement of investment principles, and the associated implementation statement); and
- ‘value data’—current and projected benefits.

In response to a view request, administrative and signpost data would have to be provided immediately, except when sought by a new member who is within three months of joining the scheme, in which case the administrative data must be provided within three months of the joining date. There would also be associated record-keeping and reporting obligations.

Value data

There are detailed requirements for value data, which are different depending on the type of benefit. All value data for the member must have a single illustration date, and must be from either a statement that was given during the preceding twelve months or a calculation performed within the same period. It must be accompanied by ‘contextual information’ such as the illustration date; whether the values are expressed as regular income, lump sums or pot values; whether there are associated dependants’ benefits; and whether the benefits would increase in payment.

Value data taken from a past statement or calculation must be given immediately. If, instead, the calculations are performed *ad hoc* in response to the view request, the trustees have ten working days in which to respond if theirs is a non-money purchase scheme, and three working days otherwise (we are not sure that the drafting gives effect to the policy intention). The DWP says that it is ‘keen for these proposed timings to be reduced’ and intends ‘to move towards instantaneous responses for all requests [involving money purchase schemes] in the future.’

Guidance

The draft Regulations also make provision for mandatory standards set by the MaPS, on data usage, design, reporting, and technical matters, plus a guide to a ‘code of connection’ that will cover security, service and operational issues. The Pensions Dashboards Programme (PDP), convened by MaPS, has published some guidance on the proposed scope of those standards, how it will go about setting them, and what they might contain.³ It has also issued invitations for a series of consultation-related webinars to be hosted by the DWP.

As well as re-uniting people with lost pensions, the dashboards will help to equip savers with the information that they need to plan for the best possible retirement. The 28 pages of draft legislation and 137-page consultation document will leave no-one in any doubt about the complexity of this important undertaking. We anticipate that it will take some time to work the kinks out of the proposals, with staging dates in the summer of 2023 already looming large.

² *Data Matching Convention (DMC) Guidance* (December 2021) <www.pasa-uk.com/wp-content/uploads/2021/12/PASA-DMC-Guidance-FINAL.pdf>.

³ <www.pensionsdashboardsprogramme.org.uk/2022/01/31/dwp-consultation-regulations-pensions-dashboards-pdp-standards>.