

Sixty second summary

Are you on target to ensure your data scores with the Pensions Regulator?

Whether you are in love with the “beautiful game” or not, you won’t have failed to notice that the FIFA World Cup is underway in Russia ...and England’s name is already on the Cup¹. For the first time the tournament is showcasing “video assistant referee” (VAR) technology, to ensure clear and obvious errors are picked up. So what do these tenuous football links have in common with your membership data?

Pre-match analysis

The Pensions Regulator originally published guidance on record keeping in June 2010, aimed at ensuring improvements in the accuracy and completeness of pension scheme data. For the public sector, data quality requirements were eventually enshrined in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014². The Regulator now seems to be getting serious on the issue, particularly in the public sector arena. As we pointed out in our recent 60SS³ there are a number of reasons the Regulator appears to be focussing attention on the LGPS. In particular is the concern at what is seen as a lack of progress across the LGPS in tackling issues around the accuracy and completeness of member data.

What’s the score?

As part of the 2018 annual return to the Regulator you will now be required to provide a “data score” in respect of your fund’s common and scheme specific data. In the private sector, the Regulator included a 95% target in respect of legacy members (i.e. those who have not had data changes since June 2010). Unless this is confirmed for the public sector it appears that the statutory requirement to hold accurate and complete data will be absolute (i.e. 100% in respect of all member data).

When scoring your member data you need to ensure that it is the accuracy of data that is being tested and not just the presence of data. By adding these new measures to the scheme return the Regulator believes it will be able to target its interventions more specifically at those schemes, or LGPS funds, failing in their duties.

Who’s in the team?

The spine of the team is built around “common data”; that should be present in any pension arrangement. Flair comes from the “scheme specific data”. This is the data specific to the scheme which enables the payment of pensions, the undertaking of fund valuations, the completion of returns, etc.

Common data

There are 11 key data items used to identify the scheme membership that are common to all pension schemes. They are surname and initials, NI number, date of birth, gender, date joined scheme, target retirement date, membership status, date of last status change and address and postcode.

¹ Albeit back in 1966 when it was the Jules Rimet Trophy

² Effective from 1 April 2015

³ [“The TPR jigsaw.....a picture emerges?”](#)

Scheme specific data

Scheme specific data consists of all the types of data used to accurately calculate benefits which are conditional to the make-up of each pension scheme. To ensure consistency across all LGPS administering authorities a standard set of scheme specific data for administering authorities to report on is being developed. GAD has recently issued a draft scheme specific data specification, which it states represents the most comprehensive content based on the Regulator's guidance and other relevant documents.

“Some people are on the pitch.....they think it's all over.....”⁴

It would be nice to think that addressing member data issues is a one-off exercise or something to focus on every four years like the World Cup. While the FIFA World Cup will eventually be over and life can return to normal, you need to make sure that the same doesn't happen when dealing with your member data. TPR have made it clear that they expect annual reviews of data quality to be a routine part of your work plan cycle - addressing immediate data issues and taking steps to ensure any procedural issues are not repeated in the future. TPR expressed concern at the lack of such annual reviews when reporting back on their latest annual survey.

Avoiding penalties

Anyone who follows England will appreciate the pain of a penalty shootout. In an age of increasing interest from the Regulator, it's important that funds don't fall foul of what is required of them and suffer their own penalty heartache⁵. The current threat of criticism or even sanction from the Pensions Regulator is, therefore, real and shouldn't be ignored.

You need to ensure you embrace the data challenge seriously, have a strategy in place to review your data annually and, where necessary, put in place a data improvement plan. This plan should address both immediate remedial actions and the steps necessary to ensure issues identified are not just repeated in future.

Our own version of VAR

We would strongly recommend that data analysis be undertaken on an annual basis. On the back of this you should then ensure you have a data improvement plan in place, setting out what is required to be done to correct any failings, by whom and by when. This plan should itself be reviewed regularly and updated to reflect progress.

Once you have your data score it is likely that work will still be needed to address data issues. Our online Data Portal may be helpful in that regard – it is an easy-to-use tool which enables you to upload and validate member data in real time. Importantly it is designed to work with the universal data capture template, as the GAD template for reporting your data score to the Regulator also appears to be. This should make it an ideal tool to assist you in addressing and monitoring your member data issues, thereby allowing you to maintain or improve those key data scores that you report to the Regulator. Speak to your usual contact if you want to know more.

Closing seconds of the match.....

Whilst the World Cup will eventually disappear from our TV screens, the issue of data quality will hang around the LGPS for another 4 years. As Administering Authorities, you cannot all win the Golden Boot – you do, however, all need to quickly become top scorers. Wherever you are on your own data journey, we can help you to plan, act and effectively use the tools available to you.

⁴ Surely no football themed article is complete without reference to the late Kenneth Wolstenholme

⁵ These could range from financial penalties, improvement notices or other sanctions handed down by the Regulator