BARNETT WADDINGHAM
beyond the expected

Why Pensions Dashboards?

Pensions Dashboards Update #1

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Most discussion around the Pensions Dashboards Programme focuses on the 'what, when and how'. We think the key question is the 'why'. There are huge challenges here, with 40m+ members connecting to 40,000+ schemes and providers. In terms of technology demand, this is the most significant change since Auto-Enrolment. So why is it worth doing?

Why Pensions Dashboards?

The answer is that Pension Dashboards are for the benefit of pension scheme members. They are a key strand in the wider Financial Wellbeing strategy and bring clear and tangible benefits.

> 'Pensions dashboards will enable individuals to access their pension information online, securely and all in one place, thereby supporting better planning for retirement and growing financial wellbeing. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. They will also help them to reconnect with any lost pension pots.'
>
> **Dashboards Vision - Money and Pension Service (MaPS)**

What will Pensions Dashboards deliver?

Consumer research indicates that the volume of users accessing Pensions Dashboards will be high, creating new technological challenges for the industry, needing to handle thousands of incoming requests each day and return information within tight timescales.

Members will be able to access their chosen regulated Pensions Dashboards service, which will use a central digital architecture to verify the individual's identity and obtain consent before sending a 'find' request to all providers and administrators. In response providers will need to search their records to identify any matching members, before returning the relevant membership and entitlement information:

'Find' data - data used to match the individual to their pension

'View' data - information about the pension entitlement, including administrator contact information and **details of current and projected retirement benefits.**

How will Pensions Dashboards be provided?

The Money and Pensions Service (MaPS) established the Pensions Dashboards Programme (PDP) to design and implement the infrastructure that will make Pensions Dashboards work.

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A dashboard provider is an organisation that operates a pensions dashboard. MaPS will provide a public service dashboard (the MaPS Dashboard), but other organisations will also provide dashboards.

A data provider is a scheme, trust, pension provider, integrated service provider or other agency supplying data to the ecosystem, including the DWP as providers of State Pension data.

Digital architecture refers to the elements that make dashboards work. These include the ecosystem components that PDP is responsible for: the pension finder system, consent, authorisation and identity services, and the governance register.

The pensions dashboard ecosystem contains the supporting architecture which allows dashboards to work, the dashboards themselves, and the governance system which monitors the whole ecosystem.

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Who needs to connect, and when?

The Department for Work and Pensions (DWP) have recently consulted on the Pensions Dashboards Regulations 2022, which will compel Trustees and providers of occupational pension schemes to connect with the Pensions Dashboards central digital architecture and make key pensions data available when requested. Equivalent regulations from the Financial Conduct Authority (FCA) cover personal pensions and other relevant arrangements.

- All types of registered pension schemes with more than 100 members are in scope.

- It only covers active and deferred members – pensioner members are excluded.

- 'Staging profile' is based on the type of scheme and number of non-pensioner members.

Anticipated staging dates

Details of anticipated staging deadlines are set out at the end of this update.

How are we preparing?

As an Industry Stakeholder – Barnett Waddingham has a longstanding involvement with the evolution of the Pensions Dashboards, joining the PDP's data working groups and responding to consultations. We have regular meetings with the PDP's onboarding team to hear the latest updates and assess our preparation requirements.

We are also working with industry bodies and representatives to develop and understand best practice for matching members with their pensions, and supplying their data, and will support our clients in making key decisions in the connection process.

As a Data Provider – Our proprietary pension administration system, Penstream, and our innovative approach to technology, gives us a strong advantage in preparation for Pensions Dashboards.

Our long-standing commitment to full digitisation of records and automation of calculations provide a solid foundation for Pensions Dashboards readiness.

As a Pension Administrator - We will manage the whole project for our clients, from start to staging and beyond, in line with PRINCE2 methodology.

We will have a ring-fenced Pensions Dashboards project team reviewing overall development, internal and external roll-out, and training for our colleagues to help support you through the journey.

As a Technology Partner - We have formed a technology partnership with Altus and ITM to support our connection to Pensions Dashboards with their Integrated Service Provider (ISP) solution.

This partnership will support our compliance with security and resilience requirements, while enhancing our ability to guide clients through the regulatory challenges of connecting their membership and providing key management information.
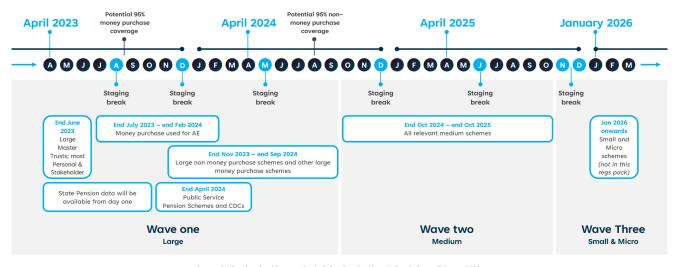
What should schemes be doing?

In future updates we will look in more detail at consumer protection, cyber-security, data readiness and what schemes should be doing now to prepare for dashboards, but the headlines are:

- Continue to review data quality plans;

- Consider interaction with other project work;

- Understand data security implications;

- Consider member communications; and

- Consider development/connection costs.

Further information

The PDP regularly publishes key information on its website www.pensionsdashboardsprogramme.org.uk. Please get in touch with your regular Barnett Waddingham contact if you would like any further information at this stage.

Staging deadlines

Source: DWP series of webinars on the draft Pensions Dashboards Regulations – February 2022.
The information on this staging timeline may be subject to change.

Indicative staging deadlines

Large Schemes	Relevant members*	Staging date
Master Trusts	20,000 or more	30/06/2023
Money purchase schemes used for auto-enrolment	20,000 or more	31/07/2023
Money purchase schemes used for auto-enrolment, Master Trusts	10,000 – 19,999	30/09/2023
	5,000 – 9,999	30/10/2023
Non- money purchase schemes, any remaining money purchase schemes	20,000 or more	30/11/2023
Money purchase schemes used for auto-enrolment and Master Trusts	2,500 – 4,999	31/01/2024
	1,000 – 2,499	29/02/2024
Non-money purchase schemes, any remaining money purchase schemes	10,000 – 19,999	31/03/2024
Public service pension schemes, collective money purchase	All sizes	30/04/2024
Non- money purchase schemes, any remaining money purchase schemes	5,000 – 9,999	30/06/2024
	2,500 – 4,999	31/07/2024
	1,500 – 2,499	31/08/2024
	1,000 – 1,499	30/09/2024

Medium Schemes	Relevant members	Staging date	Relevant members*	Staging date
	850 – 999	31/10/2024	250 – 319	31/05/2025
	750 – 849	30/11/2024	195 – 249	31/07/2025
	600 – 759	31/01/2025	155 – 194	31/08/2025
	500 – 599	28/02/2025	125 – 154	30/09/2025
	400 – 499	31/03/2025	100 - 124	31/10/2025
	320 – 399	30/04/2025		

*'Relevant members' excludes pensioner members and is based on scheme return data for the scheme year end between 1 April 2020 and 31 March 2021.

Please speak to your usual Barnett Waddingham contact if you would like to discuss the above topic in more detail.

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