

Pensions Dashboards Programme

What is a pensions dashboard?

A pensions dashboard is an online facility that will allow individuals to access all their pension information in respect of any UK pension scheme of which they are a member, or to which they have contributed in the past, securely and all in one place. It is to include information about:

- I. State pensions;
- II. Basic or additional retirement pensions;
- III. Occupational, public sector, personal pension schemes, and stakeholder pension schemes.

It will not include any pension benefits which have already been accessed by the individual, or any overseas pension benefits.

It is not yet known whether other pension savings vehicles such as retirement annuities, Section 32 buy out contracts and Lifetime ISAs will also be included.

Purpose

The purpose of the pensions dashboard is to help support individuals in their planning for retirement and financial wellbeing, and also help them to reconnect with any lost pensions.

How will the pensions dashboard work in practice?

The pensions dashboard does not involve creating a large database of pension information, the dashboard will act more like a 'switchboard'. The technology is to be designed to 'fetch' data from the relevant source (a pension scheme/provider) and 'deliver' the information back to the individual when they make an enquiry via the system.

The Money and Pensions Service (MaPS) will create a pensions dashboard system, but the regulations will also allow schemes/providers to connect via other organisations (other dashboards) to handle their data on their behalf.

The process will be as follows:

- 1) An individual authenticates themselves by confirming certain data such as, name, date of birth, national insurance number and address.
- 2) The individual officially gives the dashboard permission to share their information with multiple pension schemes and providers, or a third party connection they might be using.
- 3) When the individual submits a request for their pension information, the system will send a message out to all schemes/providers connected to the dashboards to search for a 'match'.
- 4) When a match is found the scheme/provider will have to provide data on the individual to the requesting dashboard.
- 5) The dashboard system reports back to the individual on all the pensions it has found showing the names of the schemes/providers and the estimated value of the pension at a particular retirement age.

Dashboards will also provide individuals more information about their pension savings and the contact details for that scheme/provider; there is a requirement for the provision of information concerning the constitution, administration and funding of the pension schemes.

Ambitious task

The setting up of the dashboards is an enormously complex task and the Money and Pensions Service (MaPS) established the Pensions Dashboards Programme (PDP) to design and implement the infrastructure necessary to make pensions dashboards work.

Main areas of importance

The key areas that affect the implementation of pensions dashboards are:

- Security and consumer/data protection.
- Quality of data.
- Data standards – what data to include and how should it be presented (e.g. should projected retirement figures be included).
- Consistency of the provision and design of the information to make it understandable.
- The digital architecture (i.e. the building of the pension finder service).

Progress

Successful delivery of pensions dashboards relies on collaboration of many stakeholders and liaison has taken place between the pension's industry, the DWP, HM Treasury, the FCA, The Pensions Regulator and the PDP; there have also been a lot of consultations and calls for feedback.

In September, the PDP appointed Capgemini with Origo to supply the central digital architecture and technical requirements and a six months testing phase of a prototype programme will start in December 2021, with a team of seven organisations which include software providers, insurers and third party administrators. Their purpose is to develop the dashboard technology, ensure processes for on boarding are as easy as possible, and share any learning derived from the testing across the industry.

When will your scheme have to connect to a pensions dashboard?

All pension schemes/providers will eventually be required to connect to a pensions dashboard system. The PDP originally proposed that on-boarding takes place over three waves:

- Wave one, from April 2023: occupational schemes with 1,000+ members and FCA regulated providers of personal and stakeholder pensions.
- Wave two: medium occupational schemes (100 to 999 memberships).
- Wave three: small and micro occupational schemes (99 or fewer memberships).

This timeline, however, has been considered too ambitious and it has been suggested that the lead-in time should start from the point of sufficient certainty (i.e. all the regulations are in place) and full technical specification has been agreed.

Cartwright comment

There is no doubt the introduction of pensions dashboards is a very good idea and will eventually be implemented. The Pensions Act 2021 introduced a statutory definition of a pensions dashboard and set out a framework to support their introduction including powers to compel schemes to provide accurate individual pensions data, and the Regulator the power to issue penalties for non-compliance.

However, due to the scale and complexity of their implementation the proposed scheme on boarding dates are constantly being put back as further development of the necessary technology and testing is required.

In the meantime, this gives trustees of pension schemes more time to improve the quality of their scheme's data, undertake data validation and data cleansing exercises to fill any data gaps and undertake benefit audits to ensure they will be ready to provide the correct information to the dashboards at the right time.

If you would like to discuss this matter further, please get in touch with your usual contact at Cartwright.

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