
The Pensions Dashboards Programme

Background

The concept of pensions dashboards has been around for quite a long time. In 2019 The Money and Pensions Service (MaPS) established the Pensions Dashboards Programme (PDP) to design and implement the infrastructure necessary to make pensions dashboards work.

The Pensions Act 2021 introduced a statutory definition of a pensions dashboard and set out a framework to support their introduction. This included powers to compel schemes to provide accurate individual pensions data, and gave the Pensions Regulator (TPR) the power to issue penalties for non-compliance.

In December 2022 The Pensions Dashboards Regulations 2022, which describe the requirements necessary to become a “qualifying pensions dashboard service” came into force. There is, however, still more work to be done and the results of a consultation on design standards are awaited.

What are Pensions Dashboards?

Pensions dashboards are digital services – apps, websites or other online facilities that will allow individuals to access 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, and give the contact details of the scheme/provider, securely and all in one place. Dashboards will also include information about State Pensions.

They will not include any pension benefits which have already been accessed or are in payment, any overseas pension benefits, or other pension type savings vehicles such as Lifetime ISAs.

Aim

The aim is to help individuals plan for their retirement by:

- finding their various pensions and reconnecting with any lost pensions, and
- understanding the value of their pensions in terms of an estimated retirement income.

Which schemes will need to connect to a dashboard?

Occupational pension schemes (private and public sector defined benefit, defined contribution, CARE, hybrid and executive schemes and master trusts) and non-registrable public service pension schemes with **100 or more** active and deferred members, will have to connect to a dashboard and provide information to members, unless:

- the scheme’s main administration is outside the UK
- the scheme is not registrable with the Pensions Regulator (TPR)

Collective money purchase schemes are also required to connect to a dashboard.

How will the Pensions Dashboards work in practice?

A dashboard does not involve creating a large database of pension information, dashboards are to act more like a 'switchboard'. They are 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 a dashboard system.

How will the process work in practice?

- 1) An individual authenticates themselves by confirming certain data such as, name, date of birth, national insurance number and address.
- 2) The individual gives the dashboard permission to share their information with multiple pension schemes and providers, or a connection the third party or provider 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.

The Money and Pensions Service (MaPS) & other dashboards

MaPS will create a pensions dashboard system, but the regulations allow schemes/providers to connect via other qualifying pensions dashboard services (QPDS) (other dashboards) which will be FCA regulated, to handle their data on their behalf.

Trustees/scheme managers roles and legal duties

Trustees/scheme managers are required to:

- register their schemes with MaPS or connect to other dashboards by a specific deadline
- receive personal information on members, and search and match members to their pensions ('find requests')
- provide members with information about their pension through the dashboard of their choosing upon request ('view requests')
- co-operate with MaPS when preparing to connect, maintain records and report certain information to TPR and MaPS

When will trustees/scheme managers have to connect to a pensions dashboard?

All pension schemes/providers (with more than 100 active and deferred members) will be required to connect to a pensions dashboard system according to their size and type of scheme.

The connection deadline (also known as a staging deadline) is calculated based on the total number of active and deferred members across all sections of a scheme at the scheme year end that fell between 1 April 2020 and 31 March 2021.



Schemes with member numbers of 20,000 or more have a connection deadline of 30 November 2023, schemes with members of less than 19,999 have a connection deadlines between 31 March 2024 and 31 October 2025. There are, however, various connection deadline dates depending on the type of scheme and the number of members.

What Information is required to be provided to members?

The data that is expected to be supplied to the member falls into three categories;

Administration data: Member's date of birth, scheme name, nature of the benefit, member status, dates of joining and leaving, name and contact details of administrator, employer's name, and dates of employment, if available.

Signpost data: hyperlinks to websites where members can see other useful information about a scheme, such as information on costs and charges, the scheme's Statement of Investment Principles and the scheme's Implementation Statement.

Value data: how much pension a member has built up in a scheme and how much they may have when they retire.

Schemes in PPF assessment or schemes in wind-up

If a scheme, or a section of the scheme, goes into PPF assessment after it has been connected to a dashboard system, trustees/scheme managers will need to remain connected, but they must not provide value information to members (or members of the relevant section). Instead, they must provide messaging confirming that the scheme, or section, is in PPF assessment.

Schemes in the process of winding up will need to connect to the system, but do not have to provide value information to members.

Failing to comply with pensions dashboards duties – penalties

TPR has been given new powers to issue compliance notices and penalties to trustees/scheme managers if they fail to comply with pensions dashboards requirements. These include connecting and maintaining their connection with dashboards, and complying with technical, data and other standards that the MaPS sets. It will also include the issue of compliance notices and penalties to third parties such as employers, administrators, and service providers if they have caused non-compliance.

TPR will have the discretion to issue penalties of up to £5,000 to individuals and up to £50,000 in other cases for any instance of a single compliance breach.

TPR will be sending a series of four communications to the Chair of Trustees of all schemes regarding connecting to a pensions dashboard and these will start 15 months before the scheme connection due date.

Cartwright comment

The deadlines for schemes to connect to a dashboard are drawing closer, but many schemes will still have a little time before their specific dashboard connection deadline. We recommend therefore that trustees/scheme managers use that time to:

- further improve the quality of their scheme's data, undertaking data validation and data cleansing exercises to fill any data gaps
- undertake benefit audits to ensure they will be ready to provide the correct information to the dashboards at the right time

What is Cartwright doing?

All the pension schemes Cartwright administer on behalf of our clients are administered via our IT provider's suite of products, which includes the pension administration system called IntelliPen.

Our IT providers are currently in the process of rolling out an integrated service provider Smart ISP+ solution for existing Intellipen clients such as Cartwright, which will allow schemes using this IT system to connect seamlessly to any pensions dashboard.

We will advise further on the progress and potential costs for budget purposes.

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

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Mill Pool House
Mill Lane
Godalming
Surrey GU7 1EY

T: 01483 860201
E: enquiries@cartwright.co.uk

250 Fowler Avenue
Farnborough Business Park
Farnborough
Hampshire GU14 7JP

T: 01252 894883
E: enquiries@cartwright.co.uk

Marlborough House
Victoria Road South
Chelmsford
Essex CM1 1LN

T: 01245 293300
E: enquiries@cartwright.co.uk

