

Report of the Director, West Yorkshire Pension Fund to the meeting of West Yorkshire Pension Fund Pension Board to be held on 13th September 2022.

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Subject:

Pensions Dashboard

Summary statement:

This report gives an update on the progress of the introduction of Pensions Dashboard.

It is recommended that the Pension Board note the report.

EQUALITY & DIVERSITY:

Not applicable.

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1. SUMMARY

The Department of Work and Pensions (DWP) have published their response to their consultation on the secondary legislation that underpins Pensions Dashboard and how pensions providers will establish and operate, this includes responsibilities of pensions providers Boards. This paper assesses the changes and WYPF regulatory responsibilities.

2. BACKGROUND

The aim of Pensions Dashboard is to change the way people engage with and prepare for retirement by enabling people to see all their pensions information in one place online, including their state pension, allowing individuals to make better informed decisions about their retirement. It will also reunite lost and forgotten pensions pots with their owners.

The DWP's objectives for Pensions Dashboards are:

- they will make accessing pensions information, including information on individuals State Pension, easier by allowing people to see what they have in their various pensions at the touch of their smartphone, laptop, or computer
- pensions dashboards will put individuals in control of planning for their retirement
- pensions dashboards will provide an opportunity for engaged individuals to consider taking action to consolidate their deferred small pots

This first version of Pensions Dashboard will be relatively simple, offering people the opportunity to find their pensions and then view information about the value of those pensions, this will be run by Money and Pensions Service (MaPS). Legislation allows for further versions of Pension Dashboards to be run by FCA regulated providers e.g. IFA network or a Bank. DWP believe this may lead to greater functionality for individuals and is currently being encouraged.

The legislation confirms MaPS Pensions Dashboard will connect up to 52 million citizens with their pensions, working with 43,000 providers simultaneously providing an individual a view of their entire pensions provision in one place.

Both ourselves and the LGA have been concerned about the timing of McCloud and Pensions Dashboard given the impact on LG's ability to deliver both reforms to the required regulatory dates. The DWP have now formally responded to this.

3. CURRENT POSITION

It should be noted that the first pensions providers on boarding to the MaPS Pensions Dashboard is April 2023, therefore, the time to influence and engage on the regulatory regime could be short.

This is a technologically advanced legislative and regulatory framework, there are a

number of Government bodies covering the regulations. However, existing regulation also remains in place e.g. GDPR.

All GDPR existing arrangements will apply to Pensions Dashboard. The Information Commissioners Office (ICO) have stated that “it is vital schemes are doing what they can to improve the accuracy of the data which will be integral to the success of pensions dashboards.

The Pensions Regulator (TPR) have been given the power in the legislation to ensure schemes meet their staging date. TPR have the power to manage WYPF’s program of activity directly to ensure WYPF hit it’s staging date. TPR are able to provide activities required and timescales for WYPF to complete. WYPF currently meets TPR formally every 3 months. Both formal meetings to date have been positive and mutually supportive.

MaPS will set standards covering the legislative requirements for, data, technical infrastructure, design and reporting including monitoring compliance and a Code of Connection covering security, service and operational requirements.

Since the DWP consultation response MaPS have issued a design standards consultation.

DWP issued a mini consultation following the consultation response. This covered the dashboard availability point i.e. the process, the confirming and announcing Pensions Dashboard availability to the public allowing schemes to prepare for the increase in administration activity.

This mini consultation also covered MaPS being given the ability/authority to provide TPR data from MaPS real time oversight of Pensions Dashboard which runs at scheme level i.e. our regulator will have real-time monitoring of WYPF’s compliance and performance.

Both ourselves and the LGA have been concerned about the timing of McCloud and Pensions Dashboard impacting on LGPS’s ability to deliver both reforms to the required regulatory dates.

The DWP have now formally responded to this and have delayed LGPS’s staging date from April 2024 to September 2024. This is to allow time for Local Government Schemes to apply the McCloud and Sargent changes to the 2024 annual benefits statements which are being used by Pensions Dashboard as their initial data source.

Questions had been asked surrounding AVC’s and whether these were in scope of Pensions Dashboard. The response clarifies that AVC information is to be provided to MaPS Pensions Dashboard. There is further clarification that it is for the AVC provider to provide the connection to the Pensions Dashboard ecosystem; WYPF are responsible for ensuring the connection is made on the right staging date and ongoing regulatory compliance for both the AVC’s (Utmost, Pru and Scottish Widows) and the main scheme.

Within the regulations there is a concept known as “Matching”. When an individual sends their data via the MaPS Pensions Dashboard all schemes need to attempt to

identify whether they have a pension that matches this individual. This process is known as matching.

DWP have proposed that it would be for the scheme manager to set their own matching criteria i.e. decide if a scheme members pension record matches an individual requesting pensions scheme information through the ecosystem. Scheme managers need to set a policy for how they will match and what criteria they will use; this is to be agreed by the JAG.

The process of accessing information on Pension Dashboards rests on the consent of the individual i.e. scheme member. An individual can opt in and out of sharing their data across Pensions Dashboard at any point.

The Pensions Dashboard Programme will articulate this more clearly in their UK GDPR publication due to be published in summer 2022. This consent will be held by pension schemes at individual level. There is no central database within the ecosystem that holds personal information or pensions information.

4. OTHER CONSIDERATIONS

Not applicable.

5. FINANCIAL & RESOURCE APPRAISAL

The immediate financial and resource impacts are being progressed during the next phase of this development with the long term position becoming known during the procurement process.

6. RISK MANAGEMENT AND GOVERNANCE ISSUES

The biggest risks are the accuracy of data held and failure to meet the staging date. Data cleansing exercises will have to be undertaken to ensure WYPF have upto date data to identify members and return accurate results to the Dashboard.

The overall governance on monitoring implementation, progress and co-ordination of the Programme will be through a WYPF Project Board and regular updates to the Pensions Board.

7. LEGAL APPRAISAL

Referred to in part 3 above.

8. OTHER IMPLICATIONS

8.1 SUSTAINABILITY IMPLICATIONS

Not applicable.

8.2 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable.

8.3 COMMUNITY SAFETY IMPLICATIONS

Not applicable.

8.4 HUMAN RIGHTS ACT

Not applicable.

8.5 TRADE UNION

Not applicable.

8.6 WARD IMPLICATIONS

Not applicable.

**8.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS
(for reports to Area Committees only)**

Not applicable.

8.8 IMPLICATIONS FOR CORPORATE PARENTING

Not applicable.

8.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

A Privacy Impact Assessment will be undertaken when the GDPR consultation is brought forward.

9. NOT FOR PUBLICATION DOCUMENTS

None.

10. OPTIONS

Not applicable.

11. RECOMMENDATIONS

It is recommended that the Pension Board note the report.

12. APPENDICES

Not applicable.