

Practicalities of Pensions Dashboards for trustees and pension administrators

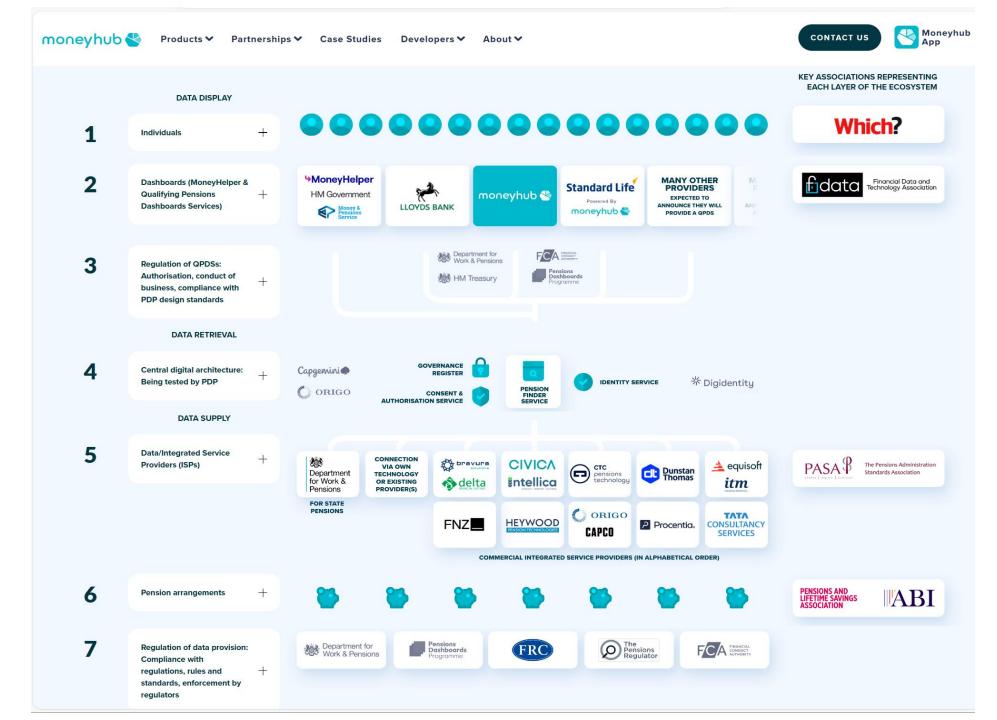
PLSA NLG – November 2024

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Agenda

- Current position on Dashboards
- What Dashboards might look and feel like for savers
- Connection Readiness for Schemes
- Specific challenges being faced now
 - Value data
 - AVCs
 - Communications
- Q&A

What are we getting ready for?





Key updates and progress

Ministerial Statement

- Government committed to Dashboards
- MoneyHelper Dashboard prioritised over commercial Dashboards
- No clarity on timeline for public availability of MoneyHelper Dashboard

PDP Standards

- Recent updates to some standards issued by PDP
- Design standards still a way off
- Other standards to be potentially confirmed/ refined through testing period

Connection Dates

- Staging date profile unchanged
- Ultimate connection deadline of October 2026
- Staged timetable starting in April 2025 with large Master Trusts and FCA regulated operators

Voluntary Participants

- PDP working with a number of voluntary participants
- Testing all aspects of the connection process
- Vast majority of connections (by membership) will have been tested by early 2025



What Dashboards might look and feel like for consumers

Three minute video: Pensions Dashboards Explainer Nov 2024 on Vimeo



Why has PASA defined what it means to be Connection Ready?

What is it?

- 95% of the work to support dashboards isn't about actual connection, but being ready for it
- We wanted to define the key areas of preparation, and what needs to be completed in each area

Who is it aimed at?

- Primarily at administrators, but also aimed at helping other stakeholders to consider the scale of the challenge
- For scheme
 managers and
 trustees this is
 complementary to
 TPR, MaPS and the
 new LGA guidance,
 and helps complete
 TPR checklist

Why are we doing it?

- Demonstrate key activities that can and must be progressed now
- Highlight both conflict and alignment with other ongoing work
- Outline the need to work in joined up fashion as an industry if all are to meet connection guidance/deadlines

When will it be released

- Initial material about to be released including a Call to Action
- Core guidance will then be available on the main PASA guidance site
- More detailed papers will be added over the remainder of the connection period

What are the main components of a scheme being connection ready?

These are the key pillars which need be addressed to achieve connection readiness.

Pillar 1

Governance Readiness

A project plan is in place to deliver connection and the relevant stakeholders are engaged.

Pillar 2

Matching Readiness

Ready for find requests at scale, due to significant usage of dashboards.

Pillar 3

Pensions Values Readiness

Ready to provide view data at scale, due to significant usage of dashboards.

Pillar 4

Technology Readiness

The
administrator
has the
scheme tested
and running
on its
'Provider
Connection
Technology'
(ISP or
equivalent).

Pillar 5

Administration Readiness

Business
processes are
in place to deal
with queries,
ongoing
changes and
impacts on
BAU resulting
from
dashboards
connection.

Pillar 1 – Governance Readiness: A project is in place to deliver all elements of scheme connection readiness including having the relevant stakeholders engaged, effective governance and appropriate record-keeping in place.

Those with duties: Trustees / Scheme Managers / Pension Providers

Agree a delivery plan with providers and keep on track to ensure the scheme is ready to connect by the expected connection guidance dates (and prior to October 2026).

Ensure the correct governance structure is in place with appropriate stakeholders having oversight.

Effective decision-makers and processes are agreed upon and embedded.

Understand your scheme obligations arising from dashboards.

Those making it happen:
Administrators / Software &
Service Providers

Formally agree the delivery plan and ensure this is contracted with clients. This should account for provider constraints while meeting scheme needs.

Provide support and advice to clients on governance set-up as part of regular service reviews. Present the required decisions and evidence on which to base them

Present delivery plan options which seek to meet the expected connection guidance dates while accounting for provider constraints and scheme needs.

Assess

Implement

Evidence

Pillar 2 – Matching Data Readiness: A scheme's initial matching approach is defined, and the scheme is ready for find requests at scale, due to significant usage of dashboards after they connect.

Those with duties:
Trustees / Scheme Managers /
Pension Providers

Those making it happen:
Administrators / Software &
Service Providers

Sign off the initial matching approach referencing evidence which includes testing of how it will work given the personal details held.

Support clients with a signed-off statement approach for initial matching criteria.

Carry out one-off improvement of personal details where required and agreed how quality will be maintained.

Process and proposition in place to improve personal details specifically for dashboards matching.

Assess personal details quality to support choosing a default matching criteria (possibly their administrator's house view) and test criteria against the personal details held.

House view on default matching criteria. A process or product in place to assess personal details quality and test matching criteria against a scheme's data.

Assess

Evidence

Implement

Pillar 3 – Pension Values / View Data Readiness: Schemes and their administrators are ready to handle view requests at scale when they connect to dashboards.

Those with duties: Trustees / Scheme Managers / Pension Providers

Obtain an updated view data assessment showing coverage and quality. Agreed processes and communications and sign off to confirm they meet scheme needs/objectives.

Maximise coverage and quality of view data and ensure the ability exists to provide pension values data within the required timeframes.

Understand the dashboard specific data required and the quality and coverage of existing view data including pension values. Consider how dashboards information compares against regular scheme communication content.

Those making it happen: Administrators / Software & Service Providers

Provide a statement which shows coverage and quality, and demonstrates working processes and effective communications to meet dashboards requirements and scheme needs/objectives.

Execute view data improvement plan and develop processes to calculate and deliver pension values to dashboards.

Provide data assessment and improvement reports on view data, including pension values. Articulate the difference between dashboards and regular scheme data/communications and consider the need for data and communications development/alignment.

Implement

Evidence

Assess

Pillar 4 – Technology Readiness: The scheme is tested and running on its "Provider Connection Technology" (ISP or equivalent) Those with duties: Those making it happen: Administrators / Software & Trustees / Scheme Managers / **Pension Providers** Service Providers Evidence a scheme has been fully tested and had a Obtain confirmation the scheme is ready to connect period of stable 'production running' on the when the final step is authorised to take place. administrator's connection platform, so it's ready for **Evidence** the final step to connect to the CDA. Install the connection approach to the point where Understand the administrator's timescales for schemes can be implemented, and then enable, installing their overall connection approach, and then implement and test actual schemes prior to connection **Implement** enabling or implementing the scheme as required. to the CDA. Select the connection approach. Where required Understand the administrator's plans and approach. contract with the external parties involved. **Assess**

Pillar 5 – Administration Readiness – when dashboards in use by the public: Business processes are in place to deal with queries, ongoing changes and impacts on business-as-usual resulting from dashboards connection.

Those with duties:
Trustees / Scheme Managers /
Pension Providers

Document an updated communications approach.

Record decisions around any changes to the administrator's operational processes and agreed any contractual implications.

Review and agree the administrator's plans to support dashboards-related activity for the scheme, engage on a communications approach, and agree schemespecific requirements.

Understand the new duties related to dashboards which the administrator will be undertaking, the additional MI required, and how connecting to dashboards will impact saver communications approach.

Those making it happen:
Administrators / Software &
Service Providers

Document the changes to the target operating model and process manuals along with evidence of agreed changes to scheme communications.

Implement all new processes agreed with clients, MI reporting and changes to communications templates via costed project plan for how this will be delivered alongside connection to the dashboards.

Review current business processes, including communications support, to assess the impact of schemes connecting to dashboards, and the resulting queries from dashboards usage at scale whilst maintaining 'business as usual' service.

Implement

Evidence

Assess

Possible Single Scheme Plan

Q1 Q2 Q3 Q5 Q6 Q4 Governance Framework Pillar 1 – Governance Delivery Plan Decision **Readiness** Oversight Delivery Plan Personal Data Matching Approach Pillar 2 – Matching Matching Effectiveness Matching Ready Readiness Personal Data Improvement Statement Matching Readiness General View Data Availability Administrative and Signpost Data Availability (Assessment) Pillar 3 – Pension Pension Values Data Availability **Values/View Data** Implementation Readiness Understanding consistency with Statement wider communications Implement all changes to scheme data and processes Selection of connection approach Implementation Pillar 4 – Technology Statement Installation of connection approach **Readiness** Configuration and testing of scheme ready for connection Process for handling possible and negative matches Process for handling queries Documented Pillar 5 – about view data **TOM Provided** Administration MI and Reporting **Readiness** Future Target Operating Model (TOM) Updated members communication strategy

PASA Guidance – what's next





Focus Area – Value data

Challenge

Should we provide stored or 'on call' data



Issues

Can technology support on call data and/or can business process ensure that stored data meets the timing requirements of value data for dashboards?



What are we seeing

Most providers looking to leverage current technology/processes, but the challenge of timing is not insignificant – especially when coordinating multiple sources

How to handle savers beyond 'Normal Retirement Date'



What illustration date should be used for value data? Does that require application of late retirement factors? What does that mean for savers still accruing benefits? What does this mean for warning codes?



The majority leaning towards stating benefits at NRD, but certainly not universal approach. No evidence around approach to using warning codes.

Focus Area – Value data

Challenge

How to handle benefits with different payment dates

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Issues

Are the benefits held/calculated separately? Can they be effectively combined? This will influence the scale of normal retirement challenge. How does this align with temporary benefits?



What are we seeing

A mix of approaches both in terms of combining benefits vs keeping separate and also in how separate benefits will be provided.

Underpins and guarantees



What is the impact of any underpin/guarantee? Is it known now? When does it impact the benefit? How material is it relative to the savers' benefit? What is the risk of applying the underpin and not just using the underpin warning code?



Most providers are trying to accurately reflect underpins/guarantees that are predictable, material and apply to benefits prior to the point of retirement. The definition of each of those isn't necessarily clear

Challenges like these mean the same benefit will be reflected differently depending on provider as well as potentially differing from other communications they receive on the same scheme

Focus Area – AVCs

Challenge

Single vs Multiple Source



What are we seeing

What is achievable from both providers' perspective? Can savers be reconciled between both data sets? Does the find data between both sets align? What about matching criteria to be used? When are multiple parties planning to connect?



A mix of approaches – a lot of work has gone in to understanding the proposed approach of all parties, but no consensus has been reached.

There is significant potential for saver experience to be highly variable when it comes to AVC benefits.

Illustration dates



What is the decision on Single vs Multiple source?
What dates are used for production of current
statements? What is achievable in terms of
alignment from both providers' perspective? What
happens to exception cases?



Again, a mix of approaches with significant potential for saver experience to be highly variable when it comes to AVC values.



AVCs remain a significant area of complexity for providers and ultimately for what savers will be able to understand – more evidence of the true impact of this will be required

Focus Area – Communications

Challenge

How to explain dashboards to savers



Issues

What are savers expectations? What communications do they currently receive from about their benefit currently? How engaged are they with their benefit are they currently? Will dashboards change level/desire of accessibility? What do we think dashboards will prompt?



What are we seeing

Early stages of communications plans – largely focussed on articulating the differences between dashboards and individual benefit communications

What future communication strategy looks like post Dashboards go-live



How will dashboards change saver behaviour? Will seeing total pension benefits collated drive future choices? Will savers demand more or less information from providers? Does industry wide communication material need to be further standardised? Do dashboards become the driver?



Nothing beyond speculation at this stage – insight from user testing and then once dashboards are live will be essential



If Dashboards become the centralised location for savers to view retirement savings then future communications strategy needs to treat Dashboards as the entry to the conversation and not an annex!