



**MINUTES OF THE
ADMINISTRATION COMMITTEE MEETING
10.30 TUESDAY, 9TH NOVEMBER 2021
AS A TEAMS MEETING**

Present:	Stuart	Reid (Chair)	Hymans Robertson LLP
	John	Dunkley	Buck
	Rachel	Longsdon	Capita Pension Solutions Limited
	Barry	Mack	Muse Advisory
	Andrew	Marson	Isio
	Paul	Niblett	Mercer Limited
	Mark	Radley	Willis Towers Watson
	Amit	Shanker	LCP
	Lee	Smith	EQ Paymaster
	Brian	Thorne	Barnett Waddingham LLP
	Phil	Tilley	M&G
	Felix	Weston	Squire Patton Boggs (UK) LLP
	Iain	Wilson	XPS Pensions Group
In attendance:	Richard	Smith	PLSA
	Chris	Connelly	Equiniti / PASA Dashboards Working Group
	Carla	Smidt	Society of Pension Professionals

1) APOLOGIES

Apologies were received from Mark Bowdery, Deborah Wilson, Colin Clarke and Fred Emden. Carla Smidt was attending on behalf of Fred Emden.

The Committee expressed their thanks to Rosie Kwok for her significant contribution to the Committee over many years. The Committee welcomed Iain Wilson who was succeeding Rosie Kwok.

Thanks to Phil Tilley for taking the minutes.

2) MINUTES OF THE ADMINISTRATION COMMITTEE MEETING HELD ON 12TH OCTOBER 2021 (CIRCULAR 2890)

The minutes were agreed, subject to the amendment of typographical errors.

3) MATTERS ARISING

i. Dashboard, liability issues

The Legislation Committee have confirmed they will thoroughly consider draft regulations when they are laid, to ensure liabilities are suitably addressed.

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ii. Statement Season, meeting with PASA

A meeting with PASA and SPP representatives has been arranged. Input is to be provided to a letter from the Joint Industry Forum to DWP, highlighting concerns with a statement season and challenging its correlation with other initiatives, such as Pensions Dashboards.

iii. To note HMT response to Pensions tax relief administration call for evidence

It was noted that HMT had recently published a response to this call for evidence, providing a solution to the net pay tax anomaly from the 2024-25 tax year.

4) TO NOTE, UPDATE FROM DWP IN SIMPLER ANNUAL BENEFIT STATEMENTS

The Committee noted the publication of the 2021 Regulations, Statutory Guidance and the Government's consultation response. The Committee welcomed the additional time to implement the requirements, with the regulations coming into force from 1 October 2022. The Committee commented that the final requirements were not materially different to the draft versions and acknowledged that DC pension schemes not used for automatic enrolment may also wish to adopt the format of the two-page annual benefit statement.

5) DASHBOARD – RICHARD SMITH AND CHRIS CONNELLY ON PASA DATA MATCHING CONVENTION GUIDANCE

The Committee welcomed Richard and Chris to the meeting.

An overview of the draft DMC Guidance was provided by the guests, highlighting that the guidance was only in respect of matching dashboard users to pension scheme records. The guidance does not cover the identification of a dashboard user, which is a precursor to matching.

The guidance is intended to engage schemes and providers across the whole pensions industry and assist them in preparing for dashboards, i.e. consideration of data accuracy and deciding how to match dashboard users to pension scheme records.

Page 6 of the guidance provides for an overview of the key messages.

A key consideration for schemes and providers is their liability exposure. Legal opinion was still to be sought but it was thought that a dashboard user will essentially be making a GDPR Subject Access Request (SAR), therefore schemes/providers are obligated to fulfil information requests where a dashboard user is a member of their pension scheme. In doing so, there is an inherent data privacy risk as data could be provided to a dashboard user that is not theirs. A large amount of work is being undertaken under the Pensions Dashboards Programme (PDP) to confirm the liability model.

Given the potential risk exposure to pension schemes of either not providing information when required or providing incorrect information, a key message to all schemes is to ensure that data used for matching is as accurate as it can be.

Schemes and providers should work with relevant stakeholders to understand the confidence they can have in their data that is used for matching, particularly in the accuracy of the Surnames, DOBs and NINOs on all of their deferred and active records. Schemes should take steps to improve their data accuracy where deficiencies are found and consider their processes for continual verification of data held.

Once a scheme's data is understood, the DMC guidance should be referenced to assist in determining how a scheme requires dashboard users to be matched to their scheme records.

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The guidance highlights Option 1 as being the most optimal where schemes are highly confident that data they hold for Surname, DOB and NINO is completely accurate on all records. The other options provide for more sophisticated matching, where there is less confidence in this data being accurate. The other options include using additional data elements as described in the Data standards guide (DSG), published in December 2020 by the PDP.

Introducing additional data elements to matching can provide for additional risks. The use of forenames was used as an example, whereby a match may be missed due to scheme data held being mis-spelt, data fields including middle or short form names or only including initials.

The DMC guidance is expected to be published in December 2021, being the first attempt to engage with pension schemes. Further supplemental guidance is expected to be published in 2022 following testing and further iterations may be published thereafter, incorporating the learnings from the first pension schemes that will connect to the dashboards ecosystem.

Administrators are likely to play a valuable role in considering the guidance and engaging with pension scheme trustees to confirm a matching process and the processes required for 'maybe' matches, ensuring the capture of data corrections. Anticipated volumes of 'maybe' matches will also require consideration to ensure administrators are appropriately resourced to manage these.

The Committee suggested that pension schemes holding an incorrect DOB is likely to have the most material consequences. DOB will determine the accuracy of other key information such as retirement date and pension income projections.

The Committee commented on the importance of confirming the liability model. This will ensure that administrators can draw attention to the associated risks when discussing matching with pension schemes and key stakeholders.

The Dutch Dashboard provides for some interesting insight into how a dashboard is used and by what demographic, this experience may be useful when considering data verification and matching, including prioritisation of required actions.

Engagement with ISPs will also require consideration, as schemes may need to ensure that their specific matching requirements can be delivered.

The Committee noted the invitation to provide further feedback on the draft DMC guidance before thanking Richard and Chris for their time and engagement with SPP.

6) DASHBOARD - DC ERI

The Committee expects that customers would benefit from projections being consistent across annual benefit statements (ABS) and the dashboard. In turn this is likely to mitigate customer enquiries that could arise due to inconsistency and maintain confidence in the dashboard.

The Committee were unable to consider this in detail without the visibility of a thorough analysis that considers the pros and cons for different approaches. In considering the impact of not using SMPI projections for the dashboard ERI, it would be necessary to understand the variances that this could provide for, by way of examples. If differences in projected amounts were not deemed to be material, then different projection methodologies may only be low risk. However, if the ERI on dashboards did not use SMPI then dashboards should include a strong warning of ERI discrepancies when compared to an ABS projection.

7) DISCUSSION ON TRANSFER REGULATIONS

Upon initial analysis, the Committee considered the final regulations better reflected the policy intention and had simplified the First Condition by the removal of reference to FCA registered, and PRA authorised, insurers.

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Some concerns remain around the practical challenges for transfers to a QROPS, for example it is not reasonable to assume, without further guidance, that the pensions industry has the expertise to assess whether a 'formal residency document' is genuine.

It was noted that the consultation response confirms some useful points of consideration that sit outside of the regulations.

It is understood that the Pension Scams Industry Group's Code of Good Practice for combating scams will be updated early in 2022.

8) SPP EVENTS UPDATE AND POLLING SUGGESTIONS

Upcoming SPP events:

10/11 - Shadow Pensions Minister, Matt Rodda, in Conversation with SPP

17/11 – Small Pots, Progress and Recommendations Review

18/11 - SPP/PMI – Scotland Event: Lessons from COP26 for Pension Schemes

23/11 – Technology Developments in Pensions

02/12 – Members' Costs and Charges Disclosure Initiative Update

9) ANY OTHER BUSINESS

It was brought to the attention of the Committee that the PASA GMP Working Group today published a briefing note on how to treat GMP reconciliation data during transition to a new administration provider.

10) DATE OF NEXT MEETING

The Committee noted that its next meeting was due on 14th December 2021 at 1030 likely to be a Teams meeting.

11) MINUTE TAKER FOR NEXT MEETING

Mark Bowdery

File 4.32

19th November 2021

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