

Update by The Pensions Regulator

Pensions Age Data Seminar - *Old meets new*

16 March 2018

The Pensions
Regulator

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The challenges and changes ahead

- ‘Known’ challenges:
 - GDPR
 - Cyber security
 - GMP reconciliation and equalisation
 - Online member engagement
 - Derisking
- ‘Known unknowns’
 - DWP White Paper on DB funding
 - Pensions Dashboard

GDPR

- General Data Protection Regulation applies from 25 May 2018
- Data Protection Bill to replace 1998 Act
 - Strengthen provisions of current data protection
 - Stronger individual rights (new right to data portability)
 - New obligations on data processors
 - 72 hour reporting
 - Greatly enhanced fines available to the ICO

The good news: *“If you are already complying with the terms of the Data Protection Act, and have an effective data governance programme in place, then you are already well on the way to being ready for GDPR”* - Steve Wood, Deputy Commissioner for Policy, ICO

Cyber security

- Pension schemes as valuable targets - hold large amounts of personal information
- Evidence of risk:
 - Japan Pension Scheme; Ukraine Pension Fund
 - Anecdotal UK evidence – spearphishing and pensioner information for sale
- Not just an administrator problem – risks across the value chain
- Not just about cyber ‘defence’ but cyber resilience
 - Put in place and test controls to reduce the risk
 - Prepare for when things go wrong

DB: White paper on sustainability of schemes



TPR to be provided with the *'right powers to do its job'*

- Scheme funding powers
- Information gathering powers

Pensions dashboard

- Put forward in Budget 2016.
- Prototype dashboard delivered by industry volunteers - <https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/>
- DWP now leading on feasibility study; due to report shortly
- *'very strong case for legislation and compulsion'*

Welcome Emma Smith! last updated 27/03/2017 [refresh](#) [Logout](#)

Pensions found
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Your pension income
at age **65**
Annually | Monthly
£1,048
this number is a rough estimate

State Pension ? **£676.80** monthly

Department for Work & Pensions
State Pension **£676.80** monthly
from age 67 >

Defined contribution pensions ? **£56,984.00** total

Geopost (uk) Limited
Company scheme **£39,797.00** total **£281** monthly (ESTIMATED)
Policy: AVC/201750805 from age 65 >

Dundee Toys
Company scheme **£2,534.00** total **£78** monthly (ESTIMATED)
Policy: RLI/2399103 from age 65 >

Geopost (uk) Limited
Company scheme **£14,653.00** total **£78** monthly (ESTIMATED)
Policy: AVC/201756143 from age 60 >

We have checked all providers. Do you think any of your pensions are missing?
Check the status of all providers we've searched. [CHECK](#)

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Our expectations

- Trustees and scheme managers:
 - understand their duties in respect of record-keeping
 - prioritise administration appropriately
 - put sufficient controls around their administrators, employers and others to ensure records are accurate, properly maintained and safe
 - Data reviews are conducted annually and on certain triggering events
 - Improvement plans are put in place where issues are identified

How are schemes performing?

- Know & understand your duties
 - *Common/conditional terms not universally understood*
 - *Conditional (scheme-specific) data mistakenly perceived as secondary*
 - *Lack of clarity on TPR expectations and knowledge of TPR guidance*
- Appropriate focus/priority
 - *Administration and record-keeping seen as lower priority*
 - *Closed schemes/schemes with many deferreds less engaged*
 - *Large schemes much more likely to feature admin on the agenda*
 - *Special projects (GMP, administrator switch, derisking) drive focus*

How are schemes performing? (2)

- Appropriate internal controls
 - *SLAs common in large schemes and rare in micro schemes, and three times more likely to be used with TPAs than in house administrators.*
 - *Most have processes in place in respect of employer data*
 - *The vast majority of schemes and their administrators are trained on DPA, and most have processes in place in respect of data breaches*
- Data review
 - *DB more likely to measure data than DC, TPAs than in house*
 - *Most DC schemes review data annually, with more reviewing common than scheme-specific data*
 - *Larger schemes identify more issues*
- Robust improvement plans
 - *Improvement plans are used by around half of DC schemes*

Update on TPR work

- TPR corporate priority 2017-20: *Drive up standards of record-keeping and data maintenance.*
- Two ways to achieve this:
 - Improve trustee and scheme manager awareness of, and engagement with, administration
 - Work with administration industry to drive up standards
- Clearer, quicker, tougher

Setting clear expectations of trustees

- Guidance/comms:
 - Updated guidance on record-keeping: Quick guides on record-keeping, measuring data, improvement plans (published); updated toolkit (2018)
 - Master Trust code and guides (April 2018)
 - Guidance on cyber security (April 2018)
 - 21C governance campaign – managing advisors and service providers (March 2018)
- Enhanced focus on administration:
 - Key focus of public service engagement (since 2015)
 - Master trust authorisation and supervision (2018)
 - Record-keeping measures in scheme return (2018)

Highlight – regulatory activity

- Skilled person's report into ongoing issues (summer 2017).
- TPR fined trustee £70,000 for persistent administrative failings over a number of years (Nov 17/Jan 18)
- Improvement Notice issued on trustee and Third Party Notice on trust manager to ensure key steps are taken by set deadlines.

TPR is taking action on administration cases and will use third party powers where required.

Working with industry to drive up standards

- Support industry initiatives
- Work on ad hoc issues eg DB to DC transfers work with the FCA
- Engagement with largest administrators