NORTON ROSE FULBRIGHT

UK Pensions Briefing

Five top tips for pension dashboard readiness

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Introduction

Between June 2023 and October 2025 all large and medium-sized UK pension schemes will have to connect to the new online pension dashboards system. There's a lot to do to get ready. Here are our five top tips on preparing to connect to the dashboards system.

Once connected, your scheme will be expected to be able to respond immediately to benefit tracing requests (find requests), possibly 20,000 a day, and to provide benefit data within a very fast turnaround time.

Top Tip 1: no need to worry about master trusts and GPPs

If you have outsourced your pension arrangements to a third party DC master trust, a stakeholder plan or a group personal pension arrangement, the relevant provider is responsible for connection to the dashboard structure. Group personal pension arrangements and stakeholder plans are to connect to the dashboard structure at the same time as the very largest master trusts.

Subject to the size criteria below, all occupational pension schemes, whether open or closed to future accrual, remain under a duty to connect until every pension is in payment or bought out.

Top Tip 2: no need to worry about small and micro-schemes, yet

Schemes with less than 100 relevant members aren't in the frame for connection yet. We don't yet have any dates for when they will need to connect. But there is a dark art to counting relevant members and schemes which are open to new members may still fall into the frame if they grow fast enough. See Top Tip 5 for how and when to count your members.

Top Tip 3: have a plan for readiness

You need to have a plan in place to be ready for connection. That plan needs to cover:

- Administration systems – what needs to change in the architecture to hold data in the right form, respond immediately and accurately to "find requests" and deliver benefit illustrations in the correct form?
- Resources – responding to find requests will be a drain on resources – what is your/your administrators' and advisers' recruitment plan? Will it survive a run on the market for the few experienced staff around?
- Data – what data is missing/doubtful and what do you have to do to get it up to spec in time?
- Member verification – what data fields will you use to be absolutely sure you are matching an individual with their actual benefits?
- Benefit calculations – what arrangements need to be in place to produce and validate benefit calculations? Can your actuary and scheme administrators deliver and what will they charge to do it?
- What don't you know? If you are in the middle of GMP equalisation or rectification, or you are currently trying to work out what some particularly obscure bits of drafting mean for benefit calculations, how are you going to reconcile that uncertainty with your connection deadline? Talk to us about this – there is a

tightrope to negotiate between non-compliance and proving you have done your best in difficult circumstances.

Top Tip 4: work out your staging deadline now

Each scheme required to connect in the first wave has a designated **staging deadline**. Connection has to happen in a short window immediately before that deadline, with the details to be agreed with the Money and Pensions Service (**MaPS**). The bigger the scheme, the earlier you must complete the process. The big DC schemes are up first, but the timetable is very fast.

Getting providers and advisers to deliver changes fast costs money and creates risk. Maximise the time you have to deliver your readiness plan by working out now when your scheme needs to connect and working backwards from there.

You are expected to work out the staging deadline for each of your schemes and get in touch with MaPS at the right time – you can't rely on the Pensions Regulator or MaPS telling you.

There are two key bits of information you need first: the number of **relevant members** your scheme had on its **reference date**, and the category into which your scheme falls. Top Tip 5 explains how to work these out and determine your staging deadline.

Top Tip 5: how to work out your staging deadline

1. Work out your **reference date**. This is the last day of the scheme year ending between April 1, 2020 and March 31, 2021.
2. Count your **relevant members** as at your reference date. Relevant members are active and deferred members.
   - Do you have all the data splits you need for the calculations below? Now's the time to get them if not.
   - If a member has benefits coming into payment at different times e.g. a normal retirement age (**NRA**) 60 pension and an NRA 65 pension, count them as active/deferred if any element was not yet in payment on the reference date. Don't count guaranteed minimum pensions separately.
   - Hybrid schemes offering DC benefits and defined benefit (**DB**) benefits:
     - Count DB and DC members separately. Don't count AVCs as DC.
     - Count people twice if they have both DB and DC rights.
     - If either the DB total or the DC total is 1,000 or more, check both totals against the Large Schemes table below and go with whichever produces the earliest date. If neither is over 1,000, use the Medium Schemes table below and again take the earliest date.
   - If your scheme is formally split up into different benefit or employer sections, aggregate the membership figures. The whole scheme has to connect to the dashboard system for all members at the same time.
   - If your scheme had fewer than 100 relevant members on the reference date you may not have to connect to the dashboard structure in this first wave. However if it is open to new members, keep an eye on totals. A growing scheme may still have to connect in this first wave of connections. Contact us if that is likely so that we can help you work out your expected staging deadline.
   - It's the figure at the reference date that counts, not at your staging deadline. The only exception is if you have no relevant members at all by the time your staging deadline arrives. Bear this in mind if you have bulk transfers or buy-outs in the offing – it might affect your preferred timetable.
3. Check your scheme's category or categories.
   - Only needed if either the DB total or the DC total is 1,000 or more. If not, go straight to step 4 below.
   - The options are: **non-money purchase** (this includes cash balance arrangements), authorised **DC master trusts**, **DC auto-enrolment** schemes and **other DC** schemes. A hybrid scheme may fall into

multiple categories, but ignore AVCs for this purpose.

- A scheme can fall into the DC auto-enrolment scheme category if it has ever been certified as a **qualifying pension scheme** on the basis of its DC provision. It doesn't matter whether you were using strict auto-enrolment or contractual enrolment.
- If on the reference date there was at least one relevant member with DC benefit entitlements referable to the workplace pension enrolment regime, apply the total of all DC relevant members to the DC auto-enrolment column below in the table below. Otherwise apply the total to the **other DC** scheme column.

4. Check your DB and DC totals against the tables below to get your staging deadline.

Staging deadlines for large schemes

<table>
<tr><th>Relevant members</th><th>DC master trust</th><th>DC AE</th><th>Other DC</th><th>DB</th></tr>
<tr><td>20,000+</td><td>30 June 2023</td><td>31 July 2023</td><td colspan="2">30 November 2023</td></tr>
<tr><td>10,000 – 19,999</td><td colspan="2">30 September 2023</td><td colspan="2">31 March 2024</td></tr>
<tr><td>5,000 - 9,999</td><td colspan="2">30 October 2023</td><td colspan="2">30 June 2024</td></tr>
<tr><td>2,500 - 4,999</td><td colspan="2">31 January 2024</td><td colspan="2">31 July 2024</td></tr>
<tr><td>1,500 – 2,499</td><td colspan="2" rowspan="2">29 February 2024</td><td colspan="2">31 August 2024</td></tr>
<tr><td>1,000 - 1,499</td><td colspan="2">30 September 2024</td></tr>
</table>

Staging deadlines for medium schemes

Relevant members	Staging deadline	Relevant members	Staging deadline
850 – 999	31 October 2024	250 – 319	31 May 2025
750 – 849	30 November 2024	195 – 249	31 July 2025
600 – 749	31 January 2025	155 – 194	31 August 2025
500 – 599	28 February 2025	125 – 154	30 September 2025
400 – 499	31 March 2025	100 – 124	31 October 2025
320 – 399	30 April 2025		

Note: the tables above do not cover public sector schemes, collective defined contribution schemes, stakeholder schemes, personal pensions, group personal pension plans or benefits which have been bought out with annuities. They do cover schemes which have one or more buy-in contracts in place.

Watch this space

The information in this briefing is based on consultation papers and indicative draft regulations. Where they are less than clear, we have extrapolated for the most likely interpretation. The consultations have attracted extensive responses as there are many gaps at the moment and most of the details are still to come in the form of standards. The final legislation, technical and design standards and other formal documentation should be available in Autumn 2022 (at the earliest) and may include changes to the above.

However it is clear that the pensions dashboard is now a matter of when, not if, so we encourage all schemes to get planning, and budgeting.

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