



## PASA and PLSA publish pensions dashboards guidance

### PASA data matching convention guidance

The Pensions Administration Standards Association (PASA) has published [guidance](#) on the data matching convention for pensions dashboards. This is something that schemes will need to consider in advance of their staging date, which is currently expected to start from 2023. This will be the mechanism used by a scheme to match an individual's validated request to find pension information to any such member data held by the scheme. Draft regulations from the Department for Work and Pensions (DWP) are expected to be published in spring 2022 to provide more detail on the requirements and further PASA guidance on this topic may follow.

It is expected that the majority of schemes will, at least, choose to use surname, date of birth and National Insurance Number to match dashboard users to their records. Schemes will therefore need to be working towards having a high level of confidence in the accuracy of those details for their members. Where schemes do not have such a high level of confidence in their data, or require additional assurance, they should consider other matching options. PASA considers some of these scenarios in the guidance and provides suggestions for areas trustees can review in readiness for the launch of the dashboards.

### PLSA pensions dashboards A-Z guide

The Pensions and Lifetime Savings Association (PLSA) has [published an 'A-Z' industry guide](#) to the key issues they have identified, which need to be addressed in order for dashboards to be successful. The most urgent of these are identified as falling into seven key areas:

- Testing and managing savers' understanding of the information they see on the dashboard.
- Administrator and technology providers receiving the information required on how connections to the dashboard digital systems will operate.
- Schemes continuing to comply with GDPR – the guide suggests guidance from the Information Commissioner's Officer would be helpful in this regard.
- Clarity on such things as who is liable if a scheme fails to find a user's pension fund or if the information provided on dashboards is misleading to members.
- Definition of how quickly data is expected to be returned and precisely what pension values must be provided.
- The timeline for compliance (such as scheme staging dates) and for the public availability of dashboards.
- What the regulatory requirements for compliance will be from the Pensions Regulator (TPR) and the Financial Conduct Authority.

## DWP updates

### Consultation on charge cap changes

DWP has published a [consultation](#) on proposed changes to the regulatory charge cap for the default funds of occupational defined contribution (DC) schemes used for auto-enrolment. The aim is to allow DC scheme trustees the opportunity to offer investments to members from asset classes such as green infrastructure and venture capital, whilst continuing to protect members. As these investments can be illiquid and charge performance-based management fees, it may not be possible to offer them to members under the current charge cap regime.

The consultation proposes that the current list of charges which are exempt from the charge cap be expanded to include 'well-designed' performance fees that are paid when an asset manager exceeds pre-determined performance targets. The Government is considering altering the definition of performance fees in the current charges regulations in order to prevent this change being exploited by asset managers to increase their overall level of fees. The consultation also proposes that these fees should be disclosed to members in the scheme's 'Chair's Statement'. The deadline for consultation responses is 18 January 2022, with regulations planned to come into force in October.

### Second state pension age review

DWP has [launched the second review of the state pension age](#). The Pensions Act 2014 requires a review every six years, with the next review due to be published by 7 May 2023. The previous review published in 2017 recommended that the next review should consider whether the increase to age 68 should be brought forward to 2037-39 from the current timetable of 2044-2046. The review will be informed by a report into the latest life expectancy projections from the Government Actuary, and a report into other relevant factors such as labour market changes.

## TPR updates

### Guidance on climate governance and reporting published

TPR has [published](#) the final version of its guidance on how trustees of certain occupational pension schemes can meet the governance and reporting standards under the [Occupational Pension Schemes \(Climate Change Governance and Reporting\) Regulations 2021](#), which came into force on 1 October 2021 (see [PATHways 125](#)), and apply initially for schemes with 'relevant assets' of £5 billion and over. This guidance is intended to be read alongside the DWP's [statutory guidance](#).

The annual climate change report should cover how the trustees oversee climate-related risks and opportunities, the role of their advisers and the kind of information used to reach relevant decisions, amongst other matters, and the report must be made available online and signposted to members through the scheme's annual report.

### Second DB funding code consultation delayed

TPR has confirmed [on its blog](#) that the second consultation into its revised DB funding code, originally expected in the second half of 2021 (see [PATHways 120](#)), will now be delayed until 'the late summer of 2022'. This will be some time after the DWP plans to publish a consultation on new funding and investment regulations, expected in spring 2022, so that the response to that consultation can be taken into account.

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