

**ITEM No ...7.....**

**REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD – 20 MARCH 2023**

**REPORT ON: PENSION ADMINISTRATION PERFORMANCE – QUARTERLY UPDATE TO 31 DECEMBER 2022**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 89-2023**

**1. PURPOSE OF REPORT**

This report provides information on the recent quarter's operational performance in relation to Pension Administration.

**2. RECOMMENDATIONS**

The Sub-Committee is asked to note the contents of the report.

**3. FINANCIAL IMPLICATIONS**

There are no direct financial implications.

**4. BACKGROUND**

This report focusses on statutory performance and is subject to ongoing development to provide enhanced reporting functionality to improve the quality of information on administration performance and compliance.

**5. SERVICE SUMMARY**

**5.1. Summary of Statutory Performance Requirements**

The following table summarises the performance of the fund administration against statutory requirements:

Category	Received			Completed			Statute Days	Average Days			Cases beyond Statute at end of Quarter
	Current	Prior	% change	Current	Prior	% change		Current	Prior	% change	
New Member	205	1877	-89%	536	1425	-62%	60	40	30	32%	
Estimate	160	166	-4%	193	204	-5%	60	91	79	15%	11
Options	425	463	-8%	508	432	18%	60	76	72	5%	38
Actual	270	269	0%	252	279	-10%	60	15	19	-21%	
TV In	39	29	34%	47	27	74%	60	38	56	-31%	
TV Out	127	174	-27%	160	145	10%	90	48	46	6%	
Deferred	222	284	-22%	369	206	79%	60	75	76	-1%	
Death	183	180	2%	183	187	-2%	60	15	16	-10%	
Death Grant	30	40	-25%	39	35	11%	60	73	62	17%	
Dependant	51	62	-18%	51	65	-22%	60	36	43	-17%	
Divorce	12	15	-20%	28	4	600%	90	56	54	4%	
<b>Total</b>	<b>1724</b>	<b>3559</b>	<b>-52%</b>	<b>2366</b>	<b>3009</b>	<b>-21%</b>					

The following provides further detail on statutory task data:

### Overall Caseload:

Case volumes were more manageable in comparison to the last quarter, and the team were again able to process in excess of received volume, however there were a small number of cases were out-with statute for estimates and options at the end of the period. Whilst all efforts were made to bring all cases into statute, the team were still dealing with the increase in emails received in the last quarter (where received emails were up approximately 70%) and some key team members were also involved in the generation, calculation and checking of the Annual Allowance calculations and communications. Whilst resources are prioritised, there remains a requirement for additional resource, and recruitment exercises are ongoing.

### Covid Prioritised Tasks:

- **Issue of Pension Options & Pensions Brought into Payment**

The team continues to give priority to the payment of benefits in line with TPR priorities. Over the period the following points are relevant:

- The team increased in their output of options cases by 18%
- The decrease of 10% in processing pensions into payment was largely was due to training, as key team members were required to mentor new team members in the calculation and creation to the Resourcelink of these cases. All cases which were beyond statute were all cleared within the first few weeks of the next quarter.

- **Processing of Death Benefits, Payments of Death Grants, and Dependant Pensions**

- Death Grant case complexity continues to result in fluctuating processing times and number of cases completed, but an 11% increase in completion of cases was achieved within this quarter.
- A stabilisation of deaths notified received over the period was noted.
- A decrease in dependent cases processed is noted. The team confirmed that a number of cases in this period were complex and required more time per case to bring them to completion and this is reflected in the table.

### Other Statutory Tasks:

- **New Member Processing:** These number returned to expected levels for the period.
- **Estimates:** Cases received during the quarter was stable with the previous quarter. With the introduction of the ability for members to process their own estimates via the Member Self Service Portal, these estimates continue to be the more complex which cannot be processed via MSS by the member. As cases were outstanding at the end of the quarter, action was be taken to complete all of these cases by during the start of the next quarter.
- **Deferred Member Processing:** A new team member is now in place and although the average days for case completion did not improve the amount of cases completed was increased by 79%.
- **Outbound Benefit Transfers:** Case volumes completed was increased by 10%.
- **Inbound Benefit Transfers:** A decrease in processing time of 31% was achieved by the team along with a 74% increase in cases completed.
- **Divorces:** Case volumes received remained consistent form the last quarter, but cases completed saw a large increase.

## 5.2. Other Pension Operations

The following table summarises the other operations undertaken in addition to statutory requirements:

Category	Received			Completed			Average Days		
	Current	Prior	% change	Current	Prior	% change	Prior	% change	
Amend	351	340	3%	355	413	-14%	31	40	-23%
Certs	31	198	-84%	44	118	-63%	64	64	0%
Other	700	712	-2%	625	784	-20%	34	59	-42%
Process	685	1510	-55%	551	515	7%	153	96	58%

### 5.3. Employer Contributions

One employer had issues which continued during the quarter, and the team have worked with this employer to bring contribution payments up to date. Another employer also missed the deadline for payment twice during the quarter. These payments have now been received, and meetings will be held with this employer to ensure that they are reminded of their responsibilities to ensure that their returns are issued timeously during the next quarter. From these two employers a total of 5 late payments were incurred, and these have been recorded as breaches.

### 5.4. Employers and Member Online Portals

MSS Users - In September there were 11,893 registered for the MSS system, this is an increase of 311 (2.6%) compared to last quarter of 11,582. We continue to work on a solution for the payslips for pensioner members and are hoping this can be in place during 2023.

i-Connect Users – From October-December we saw 29 employers using the i-connect system to supply monthly figures for their contributions. This is an increase on last quarter by 3, there are still some issues with employers and producing reports monthly. This is being addressed and we have set a deadline of April 2023 for all employers to be using this on a monthly basis.

### 5.5. Call Centre

Inbound calls decreased in this quarter following the upsurge in the last quarter caused by the issue of Annual Benefit Statements. Calls answered totalled 2425, a decrease of 879 calls from the last quarter. Over the period, a total of 583 hours was spent on incoming calls, which continues to be a major resource for the team.

### 5.6. Annual Allowance

Prior to the statutory deadline of 6<sup>th</sup> October, the team continued the work started in September of the assessment, calculation and generation of the annual allowance calculations and communications. The calculation of the annual allowance for 2021/22 was completed with the details recorded on all active scheme members Altair records. Those members who had exceeded their annual allowance (£40000) were issued with a letter which provided them with the details of their excess, the means by which they must advise HMRC and also a time line laying down the timeframe for the steps they must take (where applicable).

Annual Allowance Letters issued to members (121 letters issued)

Letters issued via MSS : 93

Letters posted:24

### 5.7. Prudential AVC

Disinvestment times remain consistent over the period, with funds being issued by Prudential within approximately 4 weeks after the disinvestment instruction is issued. During the period, the team were contacted by one employer regarding a member AVC plan contributions. The case was referred back to Prudential for their review and action. We have subsequently heard back from the employer that that the issue has been rectified.

### 5.8. Compliance

- **National Fraud Initiative:**
  - NFI 2022/23 has commenced with the request for data as at 30th September 2022. Data was collected and issued to the NFI Team. Results are expected in the next quarter and on receipt investigation on all identified cases.
- **GDPR:** During the quarter there were one recorded instance of a GDPR breach reported.

## 5.9. Recruitment

During the quarter, the Fund ran recruitment exercises for the following:

4 x Pensions Assistants: Interviews were held in November 2022 and 2 positions were filled. The successful candidates are currently employed with the team in Clerical Assistant roles. The team still have a requirement to fill another 2 Clerical Assistant and 2 Pensions Assistants Posts and these are subject to an ongoing recruitment exercise.

1 x Clerical Assistant: A successful candidate was selected following interviews in November and references and Disclosure Scotland were requested. A start date within the next quarter is expected for this post.

## OTHER ACTIVITIES

### 5.10. Queries & Complaints

- 3869 emails were received into the generic email account in the quarter to 31<sup>st</sup> December 2022, this equates to approximately 63 emails per working day over the quarter. This is a decrease of 3519 emails from the last period. E mail tasks continue to be a significant work allocation to all Pensions Assistants within the Team. The Team advise that queries coming in via email can require a considerable amount of time and review of member records to ensure that a full reply is provided for the member.
- Complaints to Prudential: 1 x member complaint regarding service provision was escalated to Prudential for their review and action.
- Complaints to TPF: No complaints responded to in the period.

### 5.11. Staff Training

- **Online System Training**
  - New Starts - The recent new recruits to the team have been utilising the Online Training Tool. This has provided the ability to learn how to navigate the specialised pension administration system in a standardised, concise and methodical manner.
  - Webinars in respect of pension dashboards were attended over the period. Topics covered ranged from data, reporting and technical standards, code of connection, early connection and governance and design standards consultation.
  - Webinar in forthcoming system releases by Heywood was attended. These give the senior staff in the team an opportunity to see the new release in an active setting prior to the issue of the written guidance and system upgrade.
  - User Groups (hosted by Heywood's) were also held via Ms teams and covered such topics as MSS and IConnect. These User group allow funds from the whole of the UK to come together to discuss common problems/issues and to receive notice of forthcoming system enhancements and upgrades.
- **In House Training**
  - During the quarter, both face to face and MS Teams based training was provided to the new employees carrying out Clerical Assistant and Pensions Assistant roles.
  - A hybrid mail system is being rolled out by Dundee City Council and staff received training on the system. The software allows the team to "grab and drop" their outgoing letters and attachments into a mail portal, to review the letter and attachments on screen. The system then electronically issues the letters for printing and posting. Some letters may require their format to be amended and a process was implemented to ensure these were actioned timeously and accurately.

## **5.12. Employers**

In October a two-day event was held for staff at Perth & Kinross Council Environmental and Waste Plant. The event was a drop-in session to give employees who do not have easy access to Microsoft Teams the opportunity to ask question on a one to one basis on any topic of the scheme. The event was well attended by staff and feedback given showed it was a worthwhile resource.

On November 2<sup>nd</sup> a MS Teams based scheme information session was held for the staff at the Care Inspectorate and SSSC. The session was a brief overview of the scheme for new and existing staff and consisted of a talk based on a slide pack and opportunity for questions to be asked and answered. Feedback was very positive and future sessions are planned. A further session was held on 12<sup>th</sup> December 2022 with staff from the HR/Staffing Teams at both employers to allow their staff an opportunity to ask questions about pensions in general, the questions ranged from the process of bringing pensions into payment and completion of forms.

Following the CPI rate being established for the end of September, an information email was issued to those employers who receive a monthly non-funded pension recharge invoice, to advise them that the Pensions Increase value for April 2023 was an estimated 10.1% to allow them to factor this into the 2023/24 budgets.

A briefing note was issued to all affected employers in relation to the period of industrial action and the steps that they and their employees must take in relation to the notification of details and repayment of days lost due to the industrial action. This briefing note was also added to the scheme website.

## **5 REGULATIONS**

Details of regulatory matters are contained in Appendix 1.

## **6 POLICY IMPLICATIONS**

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## **7 CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

## **8 BACKGROUND PAPERS**

None

**ROBERT EMMOTT**

**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**10 March 2023**

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## **REGULATORY COMMUNICATIONS**

### **The Scottish Scheme Advisory Board (SAB)**

On 13 December 2022, the SAB published 'Bulletin November 2022'. <https://lgpsab.scot/bulletin-november-2022/>. The bulletin looks at decisions the SAB took at its last meeting on 30 November 2022:

- section 13 and scheme valuations
- annual allowance
- climate reporting
- good governance
- guidance on deferred debt and cessation
- structure changes
- specialist support to the Board.

### Wider Landscape

- **HMRC Pension schemes newsletters**

#### **Newsletter 143**

HMRC published Newsletter 143 on 30 September 2022. The newsletter includes articles:

- confirming that schemes can use the pension scheme tax reference number when paying charges if they do not have a specific charge reference. HMRC had previously announced in April 2022 that schemes were unable to do so
- confirming that Government has decided against introducing a new reportable event for certain public service pension schemes from April 2023
- confirming that HMRC expects to release the event report for 2023/24 on the Managing pension schemes service in summer 2023. HMRC had previously expected to release this in spring 2023.

#### **Newsletter 144**

HMRC published Pension schemes newsletter 144 on 3 November 2022. The newsletter includes articles about:

- Requesting a refund from the Managing Pension Schemes Service.
- Migrating from the Pension Schemes Online service to the Managing Pension Schemes service.
- AFT returns for any quarter from 1 April 2020 onwards can only be submitted on the Managing Pension Schemes service.
- The Accounting for Tax (AFT) return for 1 July to 30 September 2022 must have been submitted through the Managing Pension Scheme Service by 14 November 2022 to avoid interest and penalties.
- The Managing Pension Schemes user panel that gives feedback on the service and helps to inform future developments

#### **Newsletter 145**

HMRC published Pension schemes newsletter 145 on 30 November 2022. Articles in the newsletter cover:

- the public service pensions remedy newsletter,
- the Managing Pension Schemes service, including information on enrolling, viewing lists of schemes, managing user access and viewing interest charges
- reminding schemes that they cannot submit new Accounting for Tax returns for any quarter from April 2020 on the Pension Schemes Online service

- **HMRC**

- **Consultation on tax rules for the McCloud remedy**

On 24 November 2022, HMRC launched a consultation on how pension tax will apply to members protected by the McCloud remedy. HMRC is seeking views on draft legislation: The Public Services Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023. The legislation is planned to take effect from 6 April 2023. Some provisions will have retrospective effect.

The remedy that will apply in the LGPS is very different from the remedy that will apply in the unfunded schemes. As the draft legislation will cover all public service pension schemes, not all provisions are relevant to the LGPS. The draft regulations in Part 2 that will apply to the LGPS are:

- 14: how any underpin increase is treated for annual allowance purposes
- 17 and 23: whether any additional pension commencement lump sum paid after the normal deadline is an authorised payment
- 18,19 and 24: how an underpin increase affects a past trivial commutation payment and whether any additional amount due is an authorised payment
- 20, 21 and 25: serious ill health lump sums
- 22: whether arrears of pension payments in respect of a deceased Scheme member are authorised payments
- 26: whether a pension remains authorised where it is reduced due to a retrospective lifetime allowance debit
- 27 and 28: whether overpaid pensions and lump sums which are not recovered are authorised payments
- 30: whether additional amounts of death grants paid after the normal two-year time limit are taxable payments
- 37 and 38: valuing benefits for individual protection 2016
- 40: the impact of an underpin increase on fixed protection 2016.

Some of these provisions will have no effect or limited effect on LGPS members due to the Scheme rules and the design of the remedy. For example, it is not possible to pay a serious ill health lump sum to a member in scope of remedy. The LGA will outline their views on whether the draft regulations will be effective for LGPS members in our response to the consultation. The consultation documents also include an explanatory memorandum and guidance for administrators on the draft regulations.

- **Public service pensions remedy newsletter**

On 25 November 2022, HMRC published a Public service pensions remedy newsletter. The newsletter summarises the draft regulations and guidance under the above noted consultation and confirms that HMRC is not able to respond to member queries related to the remedy <https://www.gov.uk/government/publications/public-service-pensions-remedy-newsletter-november-2022>

- **HMT**

- **Autumn Statement 2022**

The Chancellor of the Exchequer delivered his Autumn Statement to Parliament on 17 November 2022. Pensions policies rumoured in advance of the statement such as changes to tax relief and the removal or suspension of the State Pension triple lock did not emerge. The statement confirmed the following policies that have a direct or indirect impact on LGPS members:

- The State Pension triple lock was maintained and working age benefits will increase in line with inflation in April 2023. Next year's increase will be 10.1 percent.
- The DWP review of the State Pension age will be published early in 2023.
- The review is currently underway to consider whether the existing timetable to increase the State Pension age remains appropriate. The Government must publish the review by 7 May 2023.
- No changes to the annual allowance, tapered annual allowance or Money Purchase Annual Allowance in 2023/24.

- No changes to the Lifetime Allowance which will remain at its current level of
- £1,073,100 until the end of the 2025/26 year

<https://www.gov.uk/government/publications/autumn-statement-2022-documents>

### **Treasury Direction - McCloud**

On 14 December 2022, HM Treasury (HMT) made the Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022. They come into force on 19 December 2022 and apply to England, Northern Ireland, Scotland and Wales.

The Directions set out how certain powers in the Public Service Pensions and Judicial Offices Act 2022 must be exercised. The Act gives relevant government departments powers to rectify McCloud discrimination. For the LGPS, the Directions apply to the following powers in the Act:

- Section 82: an administering authority's power to pay compensation
- Section 83: the power to make regulations compensating members by paying additional LGPS benefits
- Section 84(1)(a): the power to make regulations setting out how interest should be calculated and paid on amounts due to the McCloud remedy, and
- Section 84(1)(B): the power to make regulations setting out the process to follow for paying amounts due to the McCloud remedy.

### • **GAD**

#### **GAD blog on public service pension schemes**

The Government Actuary's Department (GAD) has published a blog about the pressures faced by administrators of public service pension schemes. GAD's blog 'Looking ahead in public service pension administration' considers:

- the challenges of translating the McCloud remedy into administration processes
- the importance of data quality for pensions dashboards
- the complexity of administration provider or administration system procurement

<https://actuaries.blog.gov.uk/2022/11/22/looking-ahead-in-public-service-pensions-administration/>

### • **Pensions dashboards**

#### **Draft Guidance on deferring staging date published**

On 17 October 2022, the Department for Work and Pensions (DWP) published draft guidance on applying to defer the staging deadline. DWP also published a template application form.

<https://www.gov.uk/government/publications/pensions-dashboards-guidance-on-deferred-connection>

The draft Pensions Dashboards Regulations 2022 propose allowing trustees / managers of a pension scheme to apply to DWP to defer their staging deadline. They set out the time limits in which to apply and the circumstances where DWP may accept applications. DWP may only agree to defer the staging deadline once for each scheme and for a period of up to 12 months. DWP has produced the draft guidance to aid understanding of the application process. This includes:

- what DWP will consider when reviewing applications
- what evidence should be submitted to support an application
- how to apply, including a recommendation to use the template application form
- how DWP will let schemes know whether they have accepted the application and how schemes can appeal.

DWP will finalise the draft guidance once the dashboard regulations come into force.

### **Draft dashboard regulations laid for approval**

On 17 October 2022, DWP laid a draft of The Pensions Dashboard Regulations 2022 before each House of Parliament. DWP can only make the regulations if each House approves the draft by a resolution. The House of Lords will consider the regulations on 15 November 2022. The draft regulations laid before each House have been amended to reflect the consultation response. <https://www.legislation.gov.uk/ukdsi/2022/9780348239645/contents?>

### **DWP responds to further consultation on dashboards**

On 17 October 2022, DWP responded to the further consultation on dashboards. This ran from 28 June to 19 July 2022. The response confirms that the DWP will:

- give pension schemes six months' notice of the point at which pensions dashboards will be available to the public, the 'Dashboard Available Point'. This is an increase to the 90 days proposed in the consultation
- go ahead with the second proposal allowing the Money and Pensions Service (MaPS) and the Pensions Regulator (TPR) to share information about dashboards.

### **Progress Update Report**

On 26 October 2022, the Pensions Dashboards Programme (PDP) published its sixth progress update report. The report covers:

- programme activity in the six-month period from April 2022,
- focus areas to April 2023
- updates from PDP's partners: DWP; the Financial Conduct Authority (FCA); and TPR.

To complement the report, PDP will be hosting a webinar on 3 November 2022.

### **Research on public value of dashboards published**

PDP has published the results of research carried out by Ipsos. PDP commissioned Ipsos to carry out quantitative research into the value that people attach to pension dashboards and their likelihood to use them. PDP will use the results to inform development of the central digital architecture. For more information, including a link to the results, see the press release from PDP. <https://www.pensionsdashboardsprogramme.org.uk/2022/10/12/quantitative-research-public-value-pensions-dashboards/>

### **Update on connecting early participants to the dashboard ecosystem**

On 17 October 2022, the PDP published an update on the programme. The update outlines the next three steps for early participants connecting to the pensions dashboards ecosystem. Early participants are those who volunteered to help test and develop the ecosystem. <https://www.pensionsdashboardsprogramme.org.uk/2022/10/17/connecting-early-participants-pensions-dashboards-ecosystem/>

### **Videos published**

On 13 October 2022, PDP published two short videos. The first video is called 'Get your data ready for pensions dashboards'. The video provides guidance to schemes on how to cleanse data so that it is accurate and up to-date. The second video is called 'An introduction to find and view data'. The video explains the important differences between find data and view data.

<https://www.pensionsdashboardsprogramme.org.uk/2022/10/13/cleansing-data-readiness-pensions-dashboards/> and <https://www.pensionsdashboardsprogramme.org.uk/2022/10/13/understanding-find-and-view-data/>

### **TPR consultation on dashboard enforcement**

On 24 November 2022, the Pensions Regulator (TPR) launched a consultation on its draft dashboards compliance and enforcement policy. TPR is responsible for ensuring that occupational pension schemes comply with their dashboard duties. The draft policy sets out how it intends to do so. The policy covers:

- the key risk areas it will focus on
- what it expects schemes to do when complying with their dashboard duties
- how it will monitor compliance
- how it will approach non-compliance.

The policy reiterates the powers TPR has to deal with non-compliance. This includes compliance notices and penalty notices. These can also be issued to third parties, such as employers, administrators and Integrated Service Providers (ISPs). The policy also includes illustrative scenarios, setting out how it may approach particular examples of non-compliance

### **The Pensions Dashboards Regulations 2022**

On 21 November 2022, the Department for Work and Pensions made The Pensions Dashboards Regulations 2022 – the Regulations. They come into force on 12 December 2022. The Regulations set out requirements for relevant occupational pension schemes to connect to pensions dashboards, and what organisations must do to provide a qualifying pensions dashboard service. The regulations apply to England, Scotland and Wales. The LGA has confirmed that to help administering authorities implement pensions dashboards, they intend to publish an LGPS specific guide to connection early in 2023. <https://www.legislation.gov.uk/ukxi/2022/1220/contents/made>

### **Pensions Dashboards Programme (PDP) publishes updated standards**

On 16 November 2022, the PDP published its revised standards for connecting to the dashboard's ecosystem. They cover the technical and operational detail that underpins dashboards legislation. The revised standards incorporate feedback from the consultation published in July. Although the revised standards are pending final approval by the Secretary of State for Work and Pensions, they have been published to give schemes advance notice of the duties that they will need to comply with. PDP also confirmed the process for updating the standards going forward, including the principles for decision-making and the notice period for industry.

### **PDP Webinars**

PDP will host the following webinars on:

- 5 December 2022 - Dashboards standards: data, reporting and technical standards
- 7 December 2022 – Dashboards standards: code of connection, early connection and governance
- 8 December 2022 – Dashboards standards: design standards consultation.

### **Consultation on regulatory framework for dashboard operators**

On 1 December 2022, the Financial Conduct Authority (FCA) published a consultation on the regulatory framework for dashboard operators. Under these proposals, operators will be able to offer savers additional services that have the potential to improve pension outcomes. These could include investment advice or guidance, modellers, calculators and other similar tools. Before doing so, operators will need to meet rigorous conduct standards. The consultation closes on 16 February 2023 <https://www.fca.org.uk/publications/consultation-papers/cp22-25-proposed-regulatory-framework-pensions-dashboard-service-firms>

### **Deferred connection guidance published**

On 12 December 2022, the Department for Work and Pensions (DWP) published guidance on how to defer connection to pensions dashboards. Administering authorities must connect to the dashboards ecosystem within a connection window of 1 September 2024 to 30 September 2024. Authorities can apply to DWP to defer this in limited circumstances. Authorities must do so before 11 December 2023, though DWP requests this is done as soon as possible. If an application for deferral is granted, DWP will specify the date of the new deadline in a written notice. The deadline will be no more than 12 months after the original connection deadline. <https://www.gov.uk/government/publications/pensions-dashboards-guidance-on-deferred-connection>

### **Early connection guidance updated**

On 21 November 2022, the PDP published updated statutory guidance on early connection. Administering authorities must connect to the dashboards ecosystem within a connection window from 1 September 2024 to 30 September 2024. Integrated service providers (ISP) may ask authorities to consider connecting earlier to reduce the number of clients connecting within the same window. If an authority wishes to connect early, it must apply to MaPS, who will consult with the Pensions Regulator before deciding. Application forms will be published soon.

<https://www.pensionsdashboardsprogramme.org.uk/standards/early-connection-guidance/>

### **PDP Newsletter**

On 15 December 2022, PDP published its December 2022 newsletter. The newsletter contains articles on the design standards consultation, cleansing data in readiness for dashboards, a new updated glossary, access to recordings and Q&As for the standards webinars and a blog looking back at 2022. <https://mailchi.mp/maps/pdp-dec-22-newsletter?e=72aa78a746>

## • TPO

### **A day in the life of TPO**

The Pensions Ombudsman (TPO) published an article setting out a day in the life of Anthony Arter on 13 October 2022. Anthony is the current Pensions Ombudsman. The article was published to mark the fifth annual Ombudsman Day. The Ombudsman Day aims to educate and raise awareness among the public about the history and practices of the ombudsman profession. This year's theme was resilience, respect and resolve. Dominic Harris will replace Anthony Arter as Pensions Ombudsman in January 2023. <https://www.pensions-ombudsman.org.uk/news-item/day-life-pensions-ombudsman>

### **TPO factsheets**

TPO published two new factsheets in November:

- Determination by the Ombudsman factsheet explains what happens after TPO has issued a determination including complying with the direction and how to appeal on a point of law. [https://www.pensions-ombudsman.org.uk/sites/default/files/publication/files/Determination%20by%20the%20ombudsman%20factsheet\\_1.pdf](https://www.pensions-ombudsman.org.uk/sites/default/files/publication/files/Determination%20by%20the%20ombudsman%20factsheet_1.pdf)
- Privacy and Personal Information Policy explains why and when TPO collects personal information about third parties. <https://www.pensions-ombudsman.org.uk/sites/default/files/publication/files/Privacy%20policy%20for%20third%20parties.pdf>

### **Deputy Pensions Ombudsman**

On 9 December 2022, the chair of the Pensions Ombudsman (TPO) announced that Anthony Arter will remain at TPO as part time Deputy Pensions Ombudsman. Anthony's term as Pensions Ombudsman ends on 15 January 2023. This is an interim appointment for up to 12 months. Anthony will remain to complete certain cases and ensure a smooth transition. See the press release for more information. <https://www.pensions-ombudsman.org.uk/news-item/announced-today-anthony-arter-stay-part-time-deputy-pensions-ombudsman>

## • TPR

### **Enforcement and prosecution policies updated**

On 25 October 2022, the Pensions Regulator (TPR) published the following:

- revised enforcement policy
- updated prosecution policy
- new enforcement strategy.

These aim to give clarity on what those who are subject to enforcement action can expect from TPR.

The enforcement policy sets out TPR's approach to investigating cases and any subsequent enforcement action. It is web-based and divided into standalone chapters, each with links to other relevant documents. The policy also consolidates previous policies in respect of defined benefit, defined contribution and public service pension schemes.

<https://www.thepensionsregulator.gov.uk/en/document-library/regulatory-and-enforcement-policies/scheme-management-enforcement-policy>

The prosecution policy explains how TPR will approach prosecuting workplace pension criminal offences. The policy has been brought up to date to reflect the new criminal powers in the Pensions Schemes Act 2021 and other developments. <https://www.thepensionsregulator.gov.uk/en/document-library/regulatory-and-enforcement-policies/prosecution-policy>

The enforcement strategy sets out the overarching aims of TPR's enforcement work (excluding automatic enrolment). It also provides an insight into the framework TPR applies when selecting cases for enforcement action. <https://www.thepensionsregulator.gov.uk/en/about-us/how-we-regulate-and-enforce/enforcement-strategy>

For more information, see the press release from TPR. Erica Carroll, TPR's Director of Enforcement, also published a blog setting out the reasons for the changes.

<https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2022-press-releases/tpr-sets-out-what-to-expect-if-you-are-the-subject-of-enforcement-action> and

<https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2022-press-releases/tpr-sets-out-what-to-expect-if-you-are-the-subject-of-enforcement-action>

### **Regulators issue scam warning to pension schemes and savers**

The Pensions Regulator (TPR) joined forces with the Financial Conduct Authority and the Money and Pensions Service to issue a scam warning to pension schemes and savers on 11 November 2022. The statement warns of an increased risk from scammers because of the current economic uncertainty. The warning urges savers to:

- contact MoneyHelper for free, impartial advice before making any hasty decisions
- check that they are dealing with a legitimate firm by visiting the ScamSmart website
- know how to spot pension scams and avoid them.

### **TPR blogs**

TPR published two blogs in November 2022:

- TPR blog on automatic enrolment considers the successes of ten years of automatic enrolment, urges employers to ensure they comply with their re-enrolment duties and looks forward to improved member engagement. <https://blog.thepensionsregulator.gov.uk/2022/11/04/ae-has-come-a-long-way-but-we-all-have-further-to-go/>
- TPR blog on equality diversity and inclusion outlines TPR's strategy to move towards a fairer and more inclusive culture within their organisation and across the pensions industry. <https://blog.thepensionsregulator.gov.uk/2022/11/22/equality-diversity-and-inclusion-welcome-progress-but-further-to-go/>

### **TPR appoints new chief executive**

TPR has appointed Nausicaa Delfas as its new chief executive. She will take over from Charles Counsell who will remain in post until March 2023. Ms Delfas joins TPR having held senior positions with the Financial Conduct Authority and the Financial Ombudsman Service.

### **Joint regulatory strategy update**

On 7 December 2022, TPR and the Financial Conduct Authority published an update to their 2018 joint regulatory strategy. The strategy sets out how the two bodies work together to tackle issues in the pensions sector. The update outlines their progress on the strategy's regulatory objectives and next steps in light of their new respective strategic priorities. The update sets out eight ongoing workstreams covering:

- productive finance
- value for money
- regulatory framework for effective stewardship

- pension scams strategy
- defined benefit (DB) transfer advice
- DB schemes and transfer activity
- pensions dashboards
- supporting consumer decision-making

- **Data request on opt outs**

On 11 October 2022, Gareth Brown emailed administering authorities in England, Scotland and Wales with a request for data on the number of members opting out or moving to the 50/50 section. The email was sent on behalf of the Scheme Advisory Board (SAB) for England and Wales. The data will allow the SAB to understand the extent to which the cost of living crisis is changing members' behaviour. The data will also help the SAB to decide whether a more substantial data gathering exercise is required. This would capture data that is only likely to be held by employers. The SAB expects to rerun the exercise early next year and possibly again in spring 2023. The data was issued to Gareth brown on 7<sup>th</sup> November 2022.

- **FCA warns that cost of living crisis could increase pension scams**

The Financial Conduct Authority (FCA) recently issued a press release warning that the cost-of-living crisis could cause an increase in pension scams. The warning follows FCA research that a quarter of consumers would consider withdrawing money from their pension earlier than planned to cover the cost of living, making them vulnerable to pension scammers. <https://www.fca.org.uk/news/press-releases/fca-research-quarter-consumers-would-withdraw-pension-savings-earlier-cover-cost-living>