



Department  
for Work &  
Pensions

## **Consultation Questions: Consultation on the draft Pensions Dashboards Regulations 2022**

Name of respondent/s / organisation (please provide):

Hampshire and Isle of Wight Fire Firefighters' Pension Board on behalf of Hampshire and Isle of Wight Fire and Rescue Authority

<b>Respondent Types - Please tick all that apply:</b>			
<b>Pension Scheme type</b>		<b>Pension scheme size (Large; Medium or Small/Micro)</b>	
Master Trust		Large Scheme (1000 members+)	X
Money purchase (used for Automatic Enrolment)		Medium Scheme (100 -999 members)	
Money purchase (other)		Small Scheme (<100 members)	
Non money purchase (excluding Public Service Pension Scheme)			
Public Service Pension Scheme	X		
Hybrid			
<b>Administrator</b>			
<b>Software provider</b>			
<b>Consumer organisation</b>			
<b>Dashboard provider</b>			
<b>Other (please state) – Firefighters local pension board</b>			X

*Responses to consultation questions are optional. We ask that you provide your reasoning for your answers to the consultation questions that you respond to.*

## Chapter 2: Data

**Question 10:** Is displaying more than one value, to account for legacy and new schemes, in respect of members affected by the McCloud judgement and Deferred Choice Underpin a feasible approach? Do consultees believe it is the correct approach in terms of user experience?

It may be useful in time to be able to provide two sets of data, but this is unlikely to be available for Fire Pension Scheme until at least the Remediable Service Statements have been provided by April 2025. Prior to this date, there will only be access to one set of data, which may or may not be the remedy data as it will depend on whether the members record has been processed for remedy.

Public Sector Schemes will be implementing the McCloud remedy at different rates and for different cohorts of members at different times. Therefore, whilst this option will be useful in the long term, initially it's going to be rather messy. Standard messaging / caveats would need to be provided to explain that the DCU option would only appear on the dashboard once the pension administrator has completed the necessary calculations. Absence of data or incorrect data could cause more queries to be raised with administrators which could cause additional workloads when resources will already be stretched. This will also undermine the credibility of pensions dashboards.

**Question 13:** Are the accrued values for different scheme and member types deliverable, and can they be produced in the time frames set out in the 'Response times' section? Are these values necessary for optimal user experience?

Both active and deferred members of the Hampshire Fire Pension Schemes have an Annual Benefit Statement produced annually online via member self-service. These statements already show the accrued values and for active members they include projections.

We already know that due to the complexities with the different normal pension ages for the 1992, 2006, 2006 modified and 2015 fire pension schemes that these are far from ideal and that already do not provide the options that firefighters want to see. The normal pension ages of these schemes are all different and change depending on whether the member is active or deferred. But realistically, because of the nature of how membership and benefits are accrued, firefighters tend to retire much earlier than their normal pension age.

The concern is that pensions dashboards are going to be yet another place where relevant information will not be displayed.

**Question 15:** Are there ways in which industry burden in terms of producing and returning value data could be reduced without significant detriment to the experience of individuals using dashboards?

The most significant way that the burden could be reduced for Hampshire Fire Pensions would be to delay the staging date; this would also avoid detriment to individuals of incorrect data being returned.

## Chapter 5: Staging – the sequencing of scheme connection

**Question 21:** Do you agree that the proposed staging timelines strike the right balance between allowing schemes the time they need to prepare, and delivering a viable pensions dashboards service within a reasonable timeframe for the benefit of individuals?

Whilst the staging deadline of 30 April 2024 may provide enough time for Hampshire Fire Pensions to be ready for the dashboard, it certainly does not provide anywhere near enough time for the value data to be in relevant meaningful state for individuals.

The proposed staging deadline for PSPS of 30 April 2024 will not give Hampshire Fire Pensions sufficient time to implement the retrospective element of McCloud (DCU), given the 18-month timescales for providing the Remediable Service Statements.

Providing individuals with incorrect or incomplete information would undermine the credibility of the dashboard and decrease member engagement.

We would be grateful for consideration of other mitigations as outlined in paragraph 75 of the consultation document, such as a staggered staging profile for PSPS.

**Question 23:** Do you agree with the proposed sequencing as set out in the staging profile (Schedule 2 of the Regulations), prioritising Master Trusts, DC used for Automatic Enrolment and so on?

Individuals may actually have more benefit from dashboards if the small and micro schemes are actually onboarded first. These are the schemes that may well either not already be producing Annual Benefit Statements, or members may actually have forgotten that they have a pension with them. This is where the dashboard is going to have most benefit – re-uniting members with their lost pensions.

PDP aims to get most coverage from the largest schemes at the outset, but those are the schemes which are more likely to have better resources and will already be communicating with their members.

**Question 24:** (Cohort specific) If you represent a specific scheme or provider, would you be able to connect and meet your statutory duties by your connection deadline? If not, please provide evidence to demonstrate why this deadline is potentially unachievable and set out what would be achievable and by when.

The legislation to retrospectively move firefighters back into their legacy schemes will not be in force until October 2023. Once those regulations come into force the practicalities of implementing it will rely on a) software being delivered on time and b) the resource available by our administrators. The timeframe to negotiate for, fund, and deliver the necessary developments for the McCloud remedy by October 2023 is exceedingly tight and reliant on primary and secondary legislation being drafted in time.

While McCloud applies across the public sector, specific to Fire Pensions, a settlement is currently in the process of being agreed in relation to Matthews for retained firefighters who were unable to join a scheme before 2006. A second options exercise will need to take place following a period of consultation. From the latest Home Office timelines, we believe that this may be expected to commence between August – September 2023 and will last for a period of 18 months. This will place a huge resource burden on Hampshire Fire Pensions, and it is not at all feasible that we can also stage to the dashboard within this timeframe, as well as managing business as usual activities.

Due to this and the practicality of presenting McCloud benefits, we strongly request that the staging deadline for the Hampshire Fire Pensions is delayed to April 2025.

**Question 29:** Do you agree with the proposed approach to allow for deferral of staging in limited circumstances?

We believe that there should be other concessions – see Q30

**Question 30:** Are there any other circumstances in which trustees or managers should be permitted to apply to defer their connection date to ensure they have a reasonable chance to comply with the requirements in the Regulations?

If they are administratively and practically unable to – due to conflicting scheme-specific pressures and priorities. And if the data that will be available at the proposed staging date will be incorrect and therefore potentially damaging to the credibility of the dashboard.

## Chapter 6: Compliance and enforcement

**Question 31:** Do you agree that the proposed compliance measures for dashboards are appropriate and proportionate?

They appear to be, but there will inevitably be a period of bedding in and there may well be some issues that arise that will be beyond the control of Hampshire Fire Pensions and therefore welcome the ability of TPR to issue notices to third parties.

## Chapter 7: Qualifying Pensions dashboard services

**Question 32:** Do you agree that our proposals for the operation of QPDS ensure adequate consumer protection? Are there any risks created by our approach that we have not considered?

**Question 33:** We are proposing that dashboards may not manipulate the view data in any way beyond the relatively restrictive bounds set out in Regulations and Standards, as a means of engendering trust in Dashboards. Do you agree that this is a reasonable approach?

**Question 34:** Do you agree that not constraining the content placed around dashboards is the right approach for dashboard providers and users?

**Question 35:** Do the proposals set out here provide the right balance between protecting consumers and enabling dashboards to deliver the best user experience? Are there ways in which consumers might be afforded more protection without negatively impacting the user experience?

**Question 36:** Does the introduction of a 3rd party audit sound workable for potential dashboard providers? We are particularly keen to receive views on:

- The deliverability of such an approach.
- The availability of relevant organisations to deliver such an audit.
- The degree of assurance that individuals can take from this third-party audit approach.
- Who should be this third-party trusted professional to carry out the assessment on dashboards compliance with design and reporting standards.

**Question 37:** In what ways might prospective dashboard providers expect a third-party auditor to assume any liabilities?

**Question 38:** What would dashboard providers expect the cost of procuring such a service to be?

**Question 39:** What are your views on the potential for dashboards to enable data to be exported from dashboards to other areas of the dashboard providers' systems, to other organisations and to other individuals?

**Question 40:** If data exports were prohibited, would prospective dashboard providers still be keen to enter the market to provide dashboards?

**Question 41:** Do you have any comments on the impact of our proposals on protected groups and/or views on how any negative effects may be mitigated?



**PAC recommendation 3: opt out/participation rates****1. Participation data**

- A. What data do you currently collect on a) opt out rates and b) participation rates in your scheme (including age, gender, salary, disability, etc)
  - a. How regularly is this data collected?
  - b. Is it published anywhere?
  - c. Is triennial re-enrolment participation rates/opt out data collected?
  - d. If no data is routinely collected, please explain why (e.g. sensitivity, concerns over data confidence, etc)
- B. Are a) opt out rates and b) participation rates broken down by:
  - a. Pay grade
  - b. Age
  - c. Other characteristics (sex, race)?
  - d. Are there any issues you would foresee in breaking down data in these ways?
- C. What are the latest a) opt out rates and b) participation rates for your scheme?
- D. Are there any noticeable trends in a) opt our rates and b) participation rates
  - a. Across the scheme as a whole over?
  - b. Among certain groups?
  - c. Over career lengths?

In HIWFRS, we do not collect pensions data as described above. This is partly due to concerns regarding data quality, but mostly because it is not something we have considered collecting before. We have discussed with our local pension board and they also don't review this data, but have said they may be interested in doing so and if they do request it, then I think we would consider trying to collate it.

**2. Member perceptions**

- A. What initiatives are undertaken to understand members' views of their pension scheme (e.g. surveys, consultation, focus groups, etc)?
  - a. If any initiatives have been taken, please summarise the latest findings including any trends by pay grade, age or other characteristics.
  - b. If no initiatives have been undertaken, please explain why not or what plans are in place to introduce them.
- B. What initiatives are undertaken to understand why people opt-out of the public service pension scheme (e.g. exit surveys, focus groups)?
  - a. If any initiatives have been taken, please summarise the latest findings including any trends by pay grade, age or other characteristics.
  - b. If no initiatives have been undertaken, please explain why not or what plans are in place to introduce them.

We have not undertaken any initiatives to understand members view of their pension scheme and currently do not have any plans to do this. Again, we may consider this if our local pension board felt such an initiative would be of benefit.

### 3. Communicating pension value

- A. How is the value of the public service pension scheme communicated to prospective job applicants? Please include example text from job listings where possible.
  - a. Is there a standardised approach across employers in the scheme? If not, what levers would you have to introduce one?
  - b. Is the value of the public service pension communicated numerically? If so, how (employer contributions, accrual rates, etc)?
- B. What steps are in place to monitor the effectiveness of how the value of the pension is communicated to prospective job applicants (e.g. perception of the reward package, bench marking etc)?
- C. Has the way the value of the pension is described been changed in response to these?
- D. Are there any distinct approaches taken to target specific demographics or applicants with specific skills?
- E. How is the value of the public service pension scheme communicated to existing members of the scheme? Please list specific examples of member engagement & comms where possible.
- F. What steps are in place to monitor the effectiveness of how the value of the pension is communicated to existing members, (e.g. perception of the reward package, participation rates, etc)?
- G. Are there any specific areas where:
  - a. Your department would value guidance or of best practice?
  - b. Your department would be willing to share guidance or best practice with others?

The value of the pension scheme is not communicated as a valuable benefit to prospective applicants. We make reference to the fact there is a pension scheme, but have not linked to a broader reward package. We would be keen to receive best practice or guidance on how to promote the value of the pension scheme to employees (prospective and existing) to make our overall employment offer more attractive.

		Impact					
		Negligible	Minor	Moderate	Major	Catastrophic	
		1	2	3	4	5	
Likelihood	Rare	1	1	2	3	4	5
	Unlikely	2	2	4	6	8	10
	Possible	3	3	6	9	12	15
	Likely	4	4	8	12	16	20
	Almost certain	5	5	10	15	20	25

Risk Register for Fire Pensions

Risk Register for Fire Pensions

Risk number	Date identified	Risk area	Risk description	Likelihood	Impact	Risk score	Control measure / mitigation	Likelihood after mitigation	Impact after mitigation	Risk score after mitigation	Risk owner
1	12/05/2017	Operations	Failure to administer the pension scheme in a proper and effective manner	2	3	6	a) Liaison with employer b) End of Year c) Employer web (UPM access) d) Fire Employer Group & Pensions Admin Group e) Fire Pension Board f) Management oversight and escalation to Chief Finance Officer for HIWFRA or Standard's & Governance Committee or Director of Operations as appropriate g) Diversification – we run a Shared Services arrangement h) Ability to call in temporary staff for peak workloads i) Business continuity plan	1	3	3	Scheme Manager
2	12/05/2017	Financial	Failure to pay the right amounts on time and in line with legislation	3	3	9	Pensions Services: - a) Testing software b) Internal and External Audits c) Standardisation of systems and processes d) All processes and calculation have a “doer” and a separate “checker” e) Monthly mortality screening for pensions in payment f) Declaration of Entitlement forms annually to pensioners and beneficiaries living overseas or upon mail being returned g) Participation in National Fraud Initiative reporting	2	3	6	Pension Administrator
3	12/05/2017	Funding	Failure to adequately account for fund pension contributions	2	4	8	a) Strong financial plan for HIWFRA b) Planned budget c) Aim to complete all Home Office returns on time	1	4	4	Scheme Manager
4	12/05/2017	Regulatory and Compliance	Failure to identify and interpret and implement legislation correctly	3	4	12	a) Scheme Advisory Board b) Local Government Association (LGA) c) Regional Fire Pension Officer Group d) Fire Technical Group e) Fire Communication Working Group f) Fire Pension Board g) Employer Pension Manager as a dedicated resource liaising between - Fire Employer Group & Pensions Admin Group, pulling together - Key Accountabilities for IBC Pensions Admin Team, HR and Hampshire Pension Services	1	4	4	Scheme Manager
5	08/10/2020	McCloud	Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed	4	4	16	a) Staff recruited specifically for McCloud tasks or to backfill positions so more experienced staff can be released for project b) Communications are developed in a timely manner c) Project is managed effectively with robust plans, reporting and escalation d) Key involvement from the Employer Pension Manager with both the Fire Technical Group and Fire Communications Working Group to ensure all information is received e) Work across departments to be co-ordinated from the McCloud Remedy Working Group	2	4	8	Scheme Manager
6	25/03/2022	Matthews	Failure to adequately resource and successfully implement the Matthews remedy to all affected members within the timescales prescribed	3	3	9	a) Liaison with IBC Pensions Admin Team and Hampshire Pension Services b) Communications are developed in a timely manner c) Project is managed effectively with robust plans, reporting and escalation d) Key involvement from the Employer Pension Manager with both the Fire Technical Group and Fire Communications Working Group to ensure all information is received e) Work across departments to be co-ordinated from the Fire Employer Group	2	2	4	Scheme Manager

BEFORE MITIGATION		Impact				
		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Rare	1				
	Unlikely	2		1. Failure to administer the pension scheme in a proper and effective manner	3. Failure to adequately account for fund pension contributions	
	Possible	3		2. Failure to pay the right amounts on time and in line with legislation  6. Failure to adequately resource and successfully implement the Matthews remedy to all affected members within the timescales prescribed	4. Failure to identify and interpret and implement legislation correctly	
	Likely	4			5. Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed	
	Almost certain	5				

AFTER MITIGATION		Impact				
		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Rare	1		1. Failure to administer the pension scheme in a proper and effective manner	3. Failure to adequately account for fund pension contributions 4. Failure to identify and interpret and implement legislation correctly	
	Unlikely	2	6. Failure to adequately resource and successfully implement the Matthews remedy to all affected members within the timescales prescribed	2. Failure to pay the right amounts on time and in line with legislation	5. Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed	
	Possible	3				
	Likely	4				
	Almost certain	5				