

A quick guide to improving your data

About this guide

Trustees and scheme managers should review their data at least once a year and if there are any issues, put an improvement plan in place to address them. This guide will help you design an improvement plan, or assess the one you currently have in place. It is applicable whether your pension scheme is administered in-house or by a third party provider.

The improvement plan should clearly set out the steps you are taking to improve your scheme data. Your plan will be unique to your scheme's circumstances. Your plan does not need to be complicated – the amount of detail you need to go into will depend on the complexity of the issues you are trying to address. However there are certain elements we expect to see in any robust improvement plan, based on our experience of good practice.

We expect all trustees and scheme managers to maintain accurate records. Failure to do so can put you at risk of failing to meet your legal obligations and we may take enforcement action where schemes are not meeting the standards we expect and are failing to demonstrate they are taking appropriate steps to improve their records.

What are your improvement plan's objectives?

In your plan, you should clearly set out the objectives you are trying to achieve by improving your data. If you have multiple objectives you should set them out in order of priority.

Example objectives

- ▶ Addressing data issues which impact your ability to run your scheme effectively, including paying out benefits correctly, processing core transactions, ensuring a high standard of service for members, keeping costs manageable or meeting various legal obligations. These issues might typically be identified through your annual data review, an audit or the valuation process
- ▶ Improving members' experiences, for example providing members with online access to their records

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- ▶ Increasing automation or administrator efficiency, for example reducing service times as information is more readily at hand
- ▶ Preparing for the transition to a new administration system or a new administrator
- ▶ Improving employer confidence in the assessment of liabilities and the appropriateness of their contributions and recovery plans
- ▶ Improving data ahead of a de-risking exercise or a liability management exercise

Outcomes

You should set out the outcomes that will be achieved, based on your objectives, including how they will be measured and how long it will take to achieve them.

Examples may include:

- ▶ Improved member service, for example fewer member complaints, and reduced processing times for events such as transfers
- ▶ More member communications issued accurately and on time
- ▶ Fewer assumptions in valuation data
- ▶ Improved administrator performance, for example an improvement in the time it takes to complete certain tasks
- ▶ Reduced administration costs
- ▶ Completion of administrative tasks, for example clearing any backlogs
- ▶ Updated and documented procedures which reduce the risks of errors recurring
- ▶ Improvement in data scores, which you should retest once you've cleaned the data to demonstrate progress

Scope and prioritising

You should clearly set out the scope of your improvement work, in particular:

- ▶ which data is included or not
- ▶ membership types included
- ▶ how far back your improvement work will go

You may need to take a phased approach if there is a lot of work required or it is particularly complex, or in light of your budget, prioritising the work in light of the objectives you're trying to achieve or the risks you're trying to mitigate.

As a general rule you should prioritise data which will have the greatest impact on member benefits – some other examples are outlined in the table below.

Data type	Personal information, which will improve your ability to communicate with members
	Specific data item which is a frequent cause of complaints
Member type or profile	Pensions in payment first
	How close members are to retirement
Data source	Largest employer first (in a multi-employer scheme)
Scheme event	The data you need for certain scheme events such as issuing benefit statements or valuations
Return on investment	Issues which have the greatest impact on running costs
Technical solution	Bulk automated resolution
Quick wins	Known data issues which are relatively easy to rectify

Breakdown of activities

You should break down the activities your administrator will undertake for you as part of the improvement plan. For each activity, you should set out:

- ▶ the issue to be addressed
- ▶ the methodology to be used, for example member address tracing, pensioner existence checks, research of company employment records
- ▶ resource allocation – who, how many working hours / days will it take
- ▶ any assumptions made, for example the number of records likely to need work, which members are covered and how any identified errors will be rectified
- ▶ timescales and target dates
- ▶ how you will know the task has been achieved (success criteria)

Remember: Improvement work doesn't end when the data is clean

You need to ensure the data is fed back into your systems, and you should include follow-up activity in your plan, for example:

- ▶ updating payroll systems and member records
- ▶ communicating with members
- ▶ rectification work, for example if you identify overpayments or underpayments
- ▶ capturing and documenting changes to data and processes so future administration teams know what has been done
- ▶ embedding new processes and working methods to ensure improvements are maintained

Dependencies

You should identify any other work which might impact on your improvement work, particularly where data is changed or the same resources need to be used. This will help you identify potential sources of conflict, or opportunities to minimise burden, for example by reducing the number of times you ask employers for data, or by only writing to members once.

Examples of other work that you may need to factor in could include valuations, member communication exercises, GMP reconciliation, year-end reconciliation, negotiating an administration contract, proposed de-risking exercises, or proposed scheme structure changes.

Timeframes and timelines

Your improvement plan must have a defined end date within a reasonable timeframe. More complex work can take a number of months so you should consider breaking it down into phases.

Mapping work into a timeline helps with planning, in particular by identifying hard deadlines, and where additional resource may be required. Your timeline should clearly set out key milestones, reporting and decision points. It should also reflect the dependencies you have identified.

Resourcing

Plans should take account of available staff and financial resources. You should agree at the start whether the work will be delivered as part of ongoing 'business as usual' administration or as a separately managed project, with additional budget and resource. If you are diverting resource from other work, you should set out what impact this will have for the scheme.

As well as the administrators' resource, you should consider other parties you may need to obtain data from, for example employers (providing member information, employment and contribution history), HM Revenue and Customs (National Insurance numbers), members (dates of birth, email addresses), tracing companies (address checks, existence checks), and advisers such as actuaries or lawyers.

Governance and reporting

Trustees and scheme managers are ultimately accountable for scheme record-keeping, and they need to have appropriate oversight of progress and the quality of the work delivered. They also need to be available to answer any queries the administrator has as the work progresses.

You should agree roles and responsibilities at the outset, in particular those of the trustees or scheme manager and administrators. Your plan should set out who will make decisions, for example signing off on success criteria, or signing off on changes to the work (to the timeline, to resources and to budget). You should set out any discretions the administrator has.

You should also set out how, to whom and when the administrator will report on progress. This should include reporting to trustees or the scheme manager but also other relevant parties, for example pension boards, employers or members.

Depending on the complexity of work you may wish to have a range of other formal controls in place, for example a decisions/action log or a change control log.

Ongoing data improvement

Data improvement is a continuous process not a one-off exercise. Your engagement with data does not end when the improvement plan is delivered. You should regularly check the data you need to run an efficient and effective scheme, and make sure data is managed well on a day to day basis. You can find out more in our record-keeping quick guide.

Flowchart: designing your improvement plan



Where can I find out more?

Record-keeping quick guide at www.tpr.gov.uk/record-keeping-guide

DB and DC schemes

Record-keeping guidance at www.tpr.gov.uk/guidance-record-keeping

DC code of practice at www.tpr.gov.uk/code13

DC guide to administration at www.tpr.gov.uk/admin

Public service schemes

Public service code of practice at www.tpr.gov.uk/code14

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