A quick guide to
record-keeping

This quick guide is designed to help you understand why scheme record-keeping is so important, and sets out the steps you need to take to make sure your records are complete and accurate. There is a checklist at the end of this guide, which you can use to measure the progress of your scheme.

What is record-keeping and why is it so important?

All pension schemes collect and hold records about scheme members' identities and their time in the scheme in order to calculate and pay out benefits. Records range from basic member information such as name, address and date of birth to more complex scheme-specific information like transactions, investments and guaranteed minimum pension (GMP) benefit entitlements.

Record-keeping is a vital part of running a scheme and failure to maintain complete and accurate records means you are at risk of failing to meet your legal obligations. Crucially, it can affect a scheme's ability to carry out basic functions such as paying members the right amount at the right time.

Poor record-keeping can have a huge impact on members and it can be very expensive for your scheme if things go wrong because of bad or missing data. As trustee or scheme manager, you are accountable for the record-keeping of your scheme, even though administrators may look after the records on a day-to-day basis.

? **Did you know...?**

Accurate and up-to-date records are critical to schemes meeting their legal obligations. In particular:

▶ Defined benefit schemes need accurate records to ensure they put accurate funding plans in place and meet internal controls obligations.

▶ Defined contribution schemes need accurate records to ensure they meet their obligations to process core financial transactions promptly and accurately.

▶ Public service scheme managers must keep records as specified in legislation including on transactions and pension board meetings and decisions.

In addition, new government and industry initiatives are being developed which will require high quality data, like the Pensions Dashboard.

What data do I need to keep?

There are two types of data held in scheme records:

▶ Data used to identify scheme members (sometimes referred to as 'common data'). This would include names, addresses, national insurance numbers and expected retirement date. The absence of one or more of these items, or an error in them, could make it substantially harder and more costly for you to identify members or establish their benefits correctly.

▶ Data specific to a scheme dependent on scheme type, structure, and administration system in use (sometimes referred to as 'conditional data'). Examples include data related to transactions, investment splits or GMP benefit entitlements.

Both are equally important.

Accountability and responsibility

As scheme trustee or manager, you should ensure that you understand your record-keeping duties.

You can choose to delegate responsibility for administration (including to a third party) but you retain ultimate accountability and you need to ensure that what you've delegated is being delivered. You should have processes and structures in place to scrutinise your administrator. Equally, you cannot rely on the scheme auditors to identify data issues.

From next year, some schemes will need to report their record-keeping scores to us via the scheme return. We will use these scores to target schemes that are failing in their duties, so it's now more important than ever for schemes to get their records in order.

Reviewing and improving scheme data

We expect schemes to carry out a data review exercise at least annually, so you'll need to talk to your administrator about whether this is included as part of their standard service. You may need to undertake an additional data review if something significant happens to the scheme – for example if it winds up or there is a change of administrator or administration system.

If you identify issues of poor quality or missing data, you'll need to put in place an improvement plan. This should have specific data improvement measures, which you can monitor and track. The plan should have an end date within a reasonable timeframe, with a view to having complete and accurate data.

Data security

Pension schemes hold significant amounts of valuable data, and large volumes are often transferred to and from the employer(s), as well as advisers such as investment managers or the scheme actuary. Many schemes also offer members online access to their records, or use social media and other electronic means to communicate with members. As well as ensuring members' records are complete and accurate, you need to put controls in place to ensure the security of member data. This will help you guard against fraud and meet your obligations under data protection law.

You should work with your administrators to ensure the right controls are in place, including controls to protect against cyber security threats. This includes ensuring that anyone with access to scheme and member records is suitably vetted and trained, and requiring administrators to have measures in place to avoid any security breaches (including cyber attacks) and data losses, and a plan for dealing with these and keeping you informed if they do occur.

Where can I find out more?

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**
The guide on types of record to keep at **www.tpr.gov.uk/ps-record-keeping**

Extra information:

The government's 'Cyber Essentials' guidance which provides information on how to protect against cyber security threats: **www.cyberaware.gov.uk/cyberessentials**

Action checklist

You may find it helpful to work through the following checkpoints when undertaking a record-keeping review.

Task	✔
Ensure you understand your duties and read our guidance	
Conduct a data review	
Discuss plans with your pension administrator	
Scheme administrators check data and provide data scores	
Put improvement plan in place to complete data and resolve issues	
Monitor progress of plan	
Ongoing processes	
Agree processes with scheme administrator for ongoing data monitoring, reporting and dealing with errors	
Perform annual data review and update of improvement plan	
Data security	
Engage with administrators and ensure controls are in place to ensure the security of member data	

The Pensions Regulator