The Pensions Regulator

DC scheme return 2019

What’s new this year

A checklist of new information you’ll need to know before you complete the DC scheme return for 2019

If your scheme has between two and 11 members, there will have been changes made since you last completed a scheme return.

Please use the detailed information on changes we’ve made in the last three years at: **tpr.gov.uk/trustees/submit-reports-payments-and-requests-to-us/scheme-return/dc-scheme-return** You only have to provide the information if the new requirements apply to your scheme, so make sure you take appropriate advice.

New items for all DC schemes	
With-profit investments	You will be asked if the scheme is invested in with profits, and what features the scheme has if this is the case. We’re also asking if any penalties are applied on surrender. The questions about the scheme’s features include an option to select ‘not known’ as your answer. If you select this response we expect you to take steps to obtain this information in time for your next scheme return. If you’re unsure whether your scheme is invested in a with-profits fund or what specific conditions apply, you should check with the provider.
Charge cap: early exit charges	We’re asking if the scheme is compliant with regulations around early exit charges, which were introduced in The Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations 2017. Early exit charges are prohibited for relevant members joining the scheme on or after 1 October 2017, and the early exit charge for other relevant members is capped.

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New items for all DC schemes continued...	
Record-keeping	You will be asked to confirm when you last measured the 'common' data that you hold, your assessment of how much you have, and how accurate it is. You'll also have to answer this for your 'scheme-specific' data – this is the new name for 'conditional' data, which has been changed to improve understanding of its importance. We are asking for this information to help us track the progress of schemes as they incorporate the standards that we expect of all schemes. By measuring certain data, we can determine behaviours which contribute to schemes being well run, and encourage better record-keeping. While the scheme return asks whether you have measured data within the last three years, we expect trustees to review their data at least once a year. You should take steps to put a data review process in place. **Where to find it** For more information about these new questions and why we're asking for this data now, please see the Annex below.

Annex

New questions on record-keeping and measuring data

There are some new questions in this year's scheme return asking you to report on your scheme data. We're asking when you last reviewed your common and 'scheme-specific' (conditional) data, and how much of this data is complete and accurate.

We're asking for this information to help us track the progress of schemes as they incorporate the standards that we expect of all schemes. By measuring certain data, we can determine behaviours which contribute to schemes being well run, and encourage better record-keeping.

These are not new expectations – we first set out our expectations on data measurement in our record-keeping guidance in 2010.

For a summary please see the **Quick guide to record-keeping**

You may find this information in your scheme administrator's reports, or ask them to provide it.

Whilst the scheme return asks whether you have measured data within the last three years we expect trustees to review their data at least once a year, so you should take steps to put a data review process in place.

We won't take enforcement action on the basis of scores alone, but if we have concerns that our standards are not being met we might engage with individual schemes. This may result in us taking action where trustees fail to demonstrate they are taking appropriate steps to improve their records.

We provide more information in our **Quick guide to measuring your data**

Some administrators may have slightly different reporting processes to those set out in our guidance – you may want to review your administrator's processes in the future but in most cases, for now, you can report on the basis of how you currently measure your data, in line with the detailed examples below.

Measuring data – questions and answers

1. The scheme return asks for our measure of data accuracy (as well as presence). Does this mean we need to write to all members to check all of their data?

No. Instead, we expect trustees to understand the controls their scheme administrators have put in place to ensure the quality of the data, have confidence that these are sufficient for the needs of the scheme, and receive regular reports on the data. Controls could include consistency checks, validation checks or other processes.

Further information is available in our **Quick guide to measuring your data**

The score you provide to TPR should reflect data which you're reasonably confident – in light of the above controls – is accurate, as well as present.

2. We don't currently measure our common and/or 'scheme-specific' (conditional) data – is TPR expecting us to measure this between now and the scheme return notice being submitted?

You can report on the basis of how you currently measure your data and indicate that, at this time, your common and/or 'scheme-specific' data (conditional) has not been measured. However, we expect trustees to review their data at least once a year, so you should take steps to put a data review process in place. We may take enforcement action where we have concerns that our standards are not being met, and trustees fail to demonstrate they are taking appropriate steps to improve their records.

3. We measure our data but we don't measure common and/or scheme-specific (conditional) data in the way TPR sets out. How should we report on our data?

A. If you don't assess accuracy:

When you measure your data, you should look at whether your data is present, and whether it is accurate. You don't need to individually verify each data item with members or employers, but you should understand the controls your scheme administrators have put in place to ensure the quality of the data. You should also have confidence that the controls are sufficient for the needs of the scheme, and receive regular reports on the data. Controls could include consistency checks, validation checks, or other processes.

Further information is available in our **Quick guide to measuring your data**

The score you provide to TPR should reflect data which you are reasonably confident (in light of the above controls) is accurate, as well as present. If you've measured presence, but not assessed accuracy, you should provide the date at which the data was reviewed and tick 'not available' in respect of the relevant data score. However, we expect trustees to consider both presence and accuracy, so you should take steps to update your administrator's reporting processes.

B. If you assess 'legacy' and 'new' data separately:

Some administrators assess common or 'scheme-specific' (conditional) data created before 2010 ('legacy' data) separately from data created after 2010 ('new' data).

You can report on the basis of how you currently measure your data – if you assess legacy and new data separately, you should report the lower of the two scores in the scheme return. This should be lower than an aggregate score would be, so you may want to review your scheme administrator's reporting processes going forward.

C. If your administrator doesn't provide a 'scheme-specific' (conditional) score, but instead reports a common data score and an overall data score (which includes common and 'scheme-specific' (conditional) data):

You can report on the basis of how you currently measure your data – and report the 'overall' data score as the 'scheme-specific' (conditional) score in the scheme return. However, your overall data score might be lower than a scheme-specific (conditional) score, so you may want to review your scheme administrator's reporting processes from now on.

D. If you report on active, deferred and pensioner members separately:

You should be able to calculate your overall score if you have this data available.

However, you can instead report on the basis of your current process and report the lower of the 'active' and 'deferred' scores. This might be lower than an aggregate score would be, so you may want to review your scheme administrator's reporting processes from now on

E. If your third party administrator provides a standard 'scheme-specific' (conditional) data report for all its schemes, based on old TPR examples and which includes data items that aren't relevant to your scheme:

Your 'scheme-specific' (conditional) data will depend on many factors, including scheme type, structure and the administration system in use. Ideally, your administrator should only report on the data items that you've agreed are key to your scheme, which may or may not be included in our examples.

You should review whether the standard 'scheme-specific' (conditional) data report remains appropriate for your needs, and provides you with a reasonable understanding of the quality of your scheme data. You might then decide to keep using this report, but if you're not confident that it gives you the information you need, you should review your scheme administrator's reporting processes.

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www.tpr.gov.uk

www.trusteetoolkit.com
Free online learning for trustees

www.pensionseducationportal.com
Free online learning for those running public service schemes

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