

# Combined Pension Statements

A Guide for Employers,  
Pension Providers,  
Trustees and Third Party  
Administrators



Department  
for Work &  
Pensions

# Introduction

If you are:

- an employer
- a pension provider, for example a company that provides a personal or stakeholder pension scheme
- a trustee or an administrator, or
- an agent for a pension provider

then this is the guide for you.

It explains what Combined Pension Statements (CPS) are, how they can benefit your scheme members and what you have to do to provide them.

## What are Combined Pension Statements?

A Combined Pension Statement (CPS) consists of us giving you a State Pension estimate for each of your scheme members or employees.

This will be based on their National Insurance (NI) contribution record at the time the statement was produced and the rules of the existing State Pension scheme.

You can include this information in the annual benefit statements you currently send out. We will provide it to you free of charge.

Preserving the privacy and security of this data is as important to us as it is to you. We have designed the service with this in mind.

## **What are the benefits?**

Combined Pension Statements can help your scheme members make better-informed pension choices when planning for their future. By giving them their state, workplace or private pension estimates together, in a single statement, you will:

- raise awareness of the income they may receive in retirement, and
- highlight the importance of their having adequate pension arrangements.

This statement may encourage scheme members to look for further information and take further action to plan for their retirement.

## **How do Combined Pension Statements work?**

The process of producing Combined Pension Statements can be separated into two key stages.

The first stage covers the things you need to do before you can start issuing Combined Pension Statements. These are:

- Registration
- Data testing
- Obtaining consent from your scheme members.

The second stage deals with the activities that form part of each year's cycle.

These are:

- Sending your scheme members' data to us
- Receiving a State Pension estimate for each of your scheme members or employees, based on their National Insurance (NI) contribution record at the time the statement is produced and the rules of the existing State Pension scheme, and sending out Combined Pension Statements.
- Handling rejections
- Dealing with enquiries.

## **What support will I get?**

Once you have registered with us, a Customer Account Manager (who will be your initial point of contact) and the maintenance team will work with you, providing support and answering any questions you may have. They can help you with testing, processing and maintaining records. They will also be able to explain how long the process is likely to take from registration to the issue of your Combined Pension Statements.

## **Is there anyone I cannot include in the exercise?**

We won't be able to give you a State Pension estimate for anyone who is within four months and four days of reaching their State Pension age. If you include details of such members in the data transfer file, the data file we return to you will show their details as having been rejected.

# Stage 1

## Registration

You can apply to join the scheme by completing the application form, which you can find at **[www.gov.uk/combined-pension-statements-employers](http://www.gov.uk/combined-pension-statements-employers)** and sending it to us at:

Newcastle Pension Centre, Futures Group,  
Mail Handling Site A,  
Wolverhampton.  
WV98 1LU.

Or you can call the Combined Pension Statement team to request an application form. Telephone **0191 218 2201**.  
Lines open 9am to 5pm, Monday to Friday.

## The Registration Agreement

The registration process is complete when we send you a Registration Agreement. This will contain information specific to your scheme, including an Activity Plan that sets out the arrangements for:

- data-exchange testing
- consent procedures
- live data exchange, and
- volumes and timing.

It will also contain drafts of:

- a consent letter you can use, and
- the State Pension estimate template you can choose to use.

### Data-exchange testing

Once the Registration Agreement and Activity Plan have been agreed, we will ask you to send us a small sample of dummy data, so that we can carry out compatibility checks. These checks are an important part of the registration process.

We will ask for 100 dummy records or, with the agreement of your Customer Account Manager, a sample that is representative of your database. The sample should contain test data only, as we cannot guarantee privacy during the test.

If your scheme member details are held on Excel, or can be exported into Excel, we have a File Generator that you can use to create your spreadsheet in exactly the right format. If you would like to use the Generator please call your Customer Account Manager on **0191 218 2201**.

We can also give you a guide that explains how to convert the State Pension estimate data we send you back into an Excel format.

You can send your data using one of three media types. The options available are:

- Electronic Data Interchange (EDI)
- Secure File Transfer (SFT)
- Physical media: Kingston USB stick.

## **Security Note**

If you choose SFT, the file must be encrypted using PGP Desktop Professional software to provide additional security.

You can discuss the options with your Customer Account Manager, and agree which media type you will use for the data exchange.

Further information is contained in the Combined Pension Statement technical guide.

## **Obtaining consent**

Normally, if you want to pass information about scheme members to another person, you are legally required to obtain the express consent of the members concerned. We call obtaining such express consent the “opt-in” approach.

However, for the purpose of Combined Pension Statements, information can be exchanged with the Department for Work and Pensions (DWP) if the requirements of the Child Support, Pensions and Social Security Act 2000 are satisfied.

This means that, if the appropriate steps are taken by or on behalf of the scheme and, the required time lapse expires without objection by the member, consent for the exchange of information can be deemed to have been given. This is known as negative consent or the “opt-out” approach.

## Opt-out

Most pension schemes that issue Combined Pension Statements choose to use the negative (opt-out) approach. Members are told that they only need to respond if they don't want DWP to release information about their State Pension. In our experience this approach reduces workloads and gets a better take-up of the Combined Pension Statement.

The consent letter must conform to the opt-out requirements, and therefore must include the date by which you want your scheme members to respond. This date must be at least 30 days after the date on which you issue the consent notice. Anyone who does not respond by the agreed date may then be deemed to have given their agreement to the exchange of information.

## Opt-in

You may however, if you wish, use the positive (opt-in) approach. This means that scheme members are asked to respond and confirm they **want to be included** in the statement exercise.

If they do not respond, data cannot be exchanged. This can be very time consuming when collating responses, especially if there are large numbers involved.

Whilst there is no mandatory time set down, to manage the opt-in consent process effectively, you should include the date by which you want your scheme members to respond.

We cannot provide State Pension information for anyone who has not given their express consent.



## **The consent letter**

Whichever approach you decide to use, we will include an appropriate draft consent letter with the Registration Agreement.

To keep processing costs down you could include the letter in the next round of statements you issue or, in the case of workplace pension schemes, with payslips. You may issue the letter via email but, if you choose this option, you must make sure that scheme members who do not have access to email receive a paper version of the consent letter.

Scheme members who choose to respond can tell you of their decision by completing the tear off portion of the letter, by email or by telephone – you can decide which method(s) you wish to use.

The consent process is a one-off exercise in the first year only. However, you must remember to consent any new entrants before the next data exchange (we will prompt you to do this).

**Scheme members/employees are given the option to withdraw their consent at any time.**

## **Keep a record of responses to the consent letter**

You must keep a record of the responses you receive, so that scheme members who have not objected to the exchange of data (opt-out) or who have expressly consented (opt-in) can be identified easily. It is important that you send us State Pension estimate requests for these people only.

## **Use of Information**

Your scheme members are agreeing to the exchange of their personal information for the sole purpose of providing State Pension estimate figures. The information we send you cannot be used for any other reason.

## Stage 2

### **Send us your scheme members' data (Combined Pension Statement Bulk Request File)**

Once your data test is complete and you know which scheme members want to receive a Combined Pension Statement, you can send their personal details to us.

As part of the registration process, we will agree with you the date you can send scheme members' details to us, and the type of media you will be using. The details we need are:

- Surname or family name
- First name or initial
- Gender
- Date of birth
- National Insurance number, and
- Policy or scheme number – You will only need to include this if you will need it to match the State Pension estimate data with your records.

### **Data-matching**

We will match your data to our records using the following information:

- First three letters of the surname or family name
- Initials
- Gender
- National Insurance number, and
- Date of birth.

If the details of a scheme member included in the request file differ from those on our records (for example, there is a different date of birth or National Insurance number), we will

not be able to match the information to a National Insurance record on our computer system.

Without this information match, we will not be able to extract the information required to work out a State Pension estimate for that scheme member. The Registration Agreement will explain what to do if this problem arises.

### **Receive the State Pension estimate data (Combined Pension Statement Bulk Reply File)**

We will find the National Insurance records for each scheme member and provide you with an estimate of the State Pension that your scheme member may get at State Pension age. This will be based on their National Insurance (NI) contribution record at the time the statement is produced under the rules of the existing State Pension scheme.

We will also give the age at which the scheme member will reach State Pension age.

We will send this data to you using the medium you have agreed with us, within the timescales set out in the Registration Agreement. The State Pension estimate data can be shown in weekly, four-weekly, monthly, three-monthly, or yearly figures, whichever you prefer.

### **Issue of Combined Pension Statements**

You can send out your benefit statements in the normal way, but with the extra State Pension information included. For example, you may send all of your statements out on the same day every year, or you may send them out as part of a monthly programme.

When you include the State Pension information in your annual benefit statement, you must use one of the templates we provide.

We can provide copies of the leaflet Your Combined Pension Statements - Your State Pension estimate explained to send out with the Combined Pension statement. This leaflet has more details about the State Pension information provided. Your scheme members can obtain a copy of this leaflet by calling **0191 218 2201**.

### **Employers and Non-scheme members**

If you are an employer and manage your workplace pension scheme internally, you can, if you wish, include in the exercise those of your employees who are not members of your pension scheme, and provide them with a State Pension estimate only.

If you are an employer and your workplace pension scheme is managed for you externally, perhaps by a trustee or external manager, your employees who are not members of your pension scheme can still be included in the Combined Pension Statement exercise.

Provided the external scheme manager is authorised by you in writing to administer your scheme, you can use either the opt-out or opt-in consent procedures.

If, however, the external scheme manager operates without your written authority, you must use the opt-in approach when seeking the agreement of these non-scheme members.

You need only send one data file, containing the details of both the scheme and non-scheme members. We appreciate that, if you hold the information on two separate databases, you may wish to send two data files.

## **Deferred scheme members**

If you have deferred scheme members, they may also benefit from receiving a Combined Pension Statement. The same requirements for using either the opt-out or opt-in consent procedures apply to this group of members.

## **Third Party Administrators**

If you are a third party administrator responsible for a number of schemes, as well as completing the Registration Form you will need to complete a Registration Certificate. In this certificate you list the names of the companies or schemes you administer that you wish to include in this agreement.

By signing the certificate you confirm that you have the appropriate authority to exchange data on behalf of the trustees or managers of the companies or schemes listed.

If you wish to use the opt-out procedure, the law requires that you provide confirmation that you are authorised in writing to act for all the schemes you have included in the Registration Certificate.

We will ask you to complete a Renewal Certificate each time you exchange data with us. This will confirm that you still have the necessary written consent to exchange data with us, and ensure that we have an up-to-date list of all the companies involved in Combined Pension Statements.

## **Follow-up enquiries**

Our contact centre can handle scheme members' questions about State Pension estimates. The telephone number is included on the statement. The leaflet Your State Pension estimate explained also provides a list of helpful telephone numbers for scheme members who have questions about State Pensions.

We will give you the name and contact number of your Customer Account Manager, who will help you through all stages of the process after you have registered.

To find out more telephone **0191 218 2201**.



## **Important information about this leaflet**

This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure that the information in this leaflet is correct as of February 2014. It is possible that some of the information is oversimplified, or may become inaccurate over time, for example because of changes to the law.

For more copies of this leaflet telephone **0191 218 2201**.

More information from DWP about benefits and pensions is published online.

- For benefits information go to **[www.gov.uk/browse/benefits](http://www.gov.uk/browse/benefits)**
- For pensions information go to **[www.gov.uk/state-pension](http://www.gov.uk/state-pension)**