

Automatic Enrolment End to End Case Study



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CHANGE HISTORY

DATE	VERSION	STATUS
20 12 2013	1.0 Draft A	Initial draft version.
27 04 2014	1.0 Final	Draft Final version.
06 04 2018	1.1 Final	Updated to include information on Adviser Not Present and Auto Enrolment Modules of the Legal Framework and revised links to the Criterion websites.

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1. INTRODUCTION

1.1 BACKGROUND

Criterion Standards are the de facto industry messaging standard used to implement Straight Through Processing (STP) between UK Adviser systems (e.g. CRM, Point of Sale, Comparison Portal Services, Back Office, Financial Planning Tools) and Platform / Provider systems.

Criterion Standards are now maintained and developed by Criterion. Criterion will operate independently to take forward and expand the suite of Standards and Governance services that we provide to the financial services industry; whilst Origo will continue to deliver operational services like Options Transfers and the Origo Integration Hub.

Historically it has been the enabling force driving eCommerce between Advisers and Product Providers. With the development of Auto Enrolment (AE) Standards, it is now able to offer similar advantages in enabling eCommerce between Scheme Providers, Employers, Benefits Platforms and other parties involved in the end-to-end delivery of Auto Enrolment services.

This document will be updated on a regular basis and made available on the Criterion website as Standards and Industry implementations evolve.

1.2 ABOUT CRITERION

Criterion is a not-for-profit body dedicated to improving the financial services industry's operating efficiencies, lowering costs for market participants and improving outcomes for consumers.

Collaboration is at the core of what we do. We work with the government, regulators, product providers, platforms, financial advisers, portals and software suppliers, as well as other industry bodies. With them, we find new ways to cut costs, make processes more efficient and achieve outcomes that would be impossible to achieve acting alone.

We're owned by UK financial services groups who help towards ensuring that the essential Open Standards and Governance Services that the Industry needs are provided.

- Criterion works right across UK Protection, Wealth and Retirement sectors;
- Criterion works closely with its key stakeholders from manufacturing and distribution to prioritise, steer and shape our activities;
- Criterion is based in Edinburgh and operates across the whole of the UK;

For further information about Criterion, please visit www.criterion.org.uk, where you can also find links to our Standards Library.

1.3 PURPOSE OF THIS DOCUMENT

The purpose of this document is to illustrate a typical instance of the End to End Automatic Enrolment (AE) process and to highlight where the suite of Automatic Enrolment Data Standards can support. It is hoped that this document will assist any potential implementer of the Criterion AE Standards to obtain an overview of where and why the Standards fit into to the overall Automatic Enrolment process.

1.4 DOCUMENT STRUCTURE

Section 1 provides some background to Criterion, the Criterion Automatic Enrolment Standards and their delivery schedule and where the Automatic Enrolment Standards can be accessed via the Criterion website.

Section 2 provides the following information:

- An explanation of the End to End Case Study scenario;
- A Case Study diagram showing the End to End AE process of Assessment, Postponement, Enrolment, Opt-Ins and Joiners, Contribution Management and the updating of HR Payroll Data etc.;
- Details of where the individual AE Standards support those processes in the Case Study;
- A summary of the purpose of each of the AE Standards that have been developed by Criterion in conjunction with the Industry during 2012 and 2013.

1.5 AUTOMATIC ENROLMENT STANDARDS BACKGROUND

Auto Enrolment was introduced in the Pensions Act 2008 with the aim of tackling the under-provision of individuals saving for retirement and to encourage people to take more responsibility for their own retirement provision. To comply with AE, all Employers with one or more eligible employee(s) must make available a Qualifying Workplace Pension Scheme (QWPS) to which every eligible employee is automatically enrolled with both Employer and Employee contributing to it.

Criterion collaborated with Scheme Providers, Scheme Administrators, HR Payroll Providers, Automatic Enrolment Solution Providers and other interested stakeholders to develop a suite of Data Messaging Standards supporting Auto Enrolment, in both XML and CSV data formats.

The Criterion AE Standards stipulate the data content and format when sending Automatic Enrolment data electronically between stakeholder parties.

The development of Standards to support AE was divided into 3 Phases:

Phase 1 - Delivered 2012

- Receive Automatic Enrolment Employee List (this is now deprecated);
- Receive Group Scheme Contribution List.

Phase 2 - Delivered 2012/2013

- Receive Group Scheme Contribution Cessation List;
- Receive Group Scheme Contribution Refund List.

Phase 3 - Delivered 2013

- Receive AE Employee List (developed in Phase 1) was sub divided into seven separate AE Standards containing data items to more effectively support process functions of AE Assessment, AE Postponement and AE Enrolment. The seven separate Standards derived from the Receive AE Employee List are:
 - Receive AE Postponement Estimation List;
 - Receive Assessed Employee List;
 - Receive Assessed Employees for Enrolment List
 - Receive AE Employee List;
 - Receive AE New Members List;
 - Receive AE Expanded New Members List;
 - Receive AE Opt In Opt Out Joiners List.

- Receive AE Payroll Single Update for contribution changes (increases and decreases).
- Receive AE Contribution Cessation was updated with further cessation reasons to support temporary cessation of contributions.
- CSV usability issues were addressed in all CSV Standards specifications and related guidance documentation made more understandable to balance the needs of both machine-to-machine and human-mediated Use Cases.
- Decisions agreed on what Data Patterns to use for certain data fields taking account of HMRC and Criterion existing Data Patterns.
- Updates to Receive Group Scheme Contribution Cessation List, Receive Group Scheme Contribution Refund List and Receive Group Scheme Contribution List to use Yes/No values for indicator data items.

2. END TO END CASE STUDY

Section 2.1 introduces the Automatic Enrolment Services and describes the Legal Framework Standard that underpins the use of all Criterion Data Messaging Standards. It also describes the Unipass Identity certificate which is a pre-requirement to access the Criterion Standards documentation.

Section 2.2 below illustrates where the Automatic Enrolment Standards support eCommerce across the Automatic Enrolment End-to-End business process between Automatic Enrolment Stakeholders (such as SME Employers, Payroll Providers, Employee and Flexible Benefit Providers etc.) and Scheme Providers who administer Qualifying Workplace Pension Schemes on behalf of Employers.

The AE End to End Case Study diagram in Section 3 illustrates the various processes in the AE End to End journey and provides a context as to where in that journey the Criterion Standards and Services can be used to assist in data transfer between the stakeholder parties.

It is worth highlighting that the diagram assumes, for the purposes of illustration, the functions of pre-assessment/estimation and assessment are being performed by third parties who are classified as “middleware” (Payroll Providers, Flexible Benefits or Employee Benefit Consultants, Auto Enrolment specialists etc.). It should be noted that the pre-assessment/estimation and assessment functions can also be performed by the Employer in-house or indeed by the QWPS Administrator/Scheme Provider on behalf of the Employer. The Employer is responsible for the entire AE process although some parts of that process may be performed by others e.g. the Opt-Out and enrolment processes as performed by the Qualifying Workplace Scheme Provider.

2.1 AUTOMATIC ENROLMENT SERVICES SETUP

Criterion provides the Automatic Enrolment community with a wealth of information and services to enable them to transact business online with Qualifying Workplace Scheme Providers. This is available on the Criterion Standards website via the following link:

<https://www.criterion.org.uk/standardslibrary>

The individual AE Related Standards are highlighted in Section 2.2 below.

2.1.1 LEGAL FRAMEWORK

Establishment of trading relationships for eServices is helped by the Criterion Legal Framework. The Legal Framework (LF) is an arrangement between a Product Provider, Intermediary and one or more Third Party Service Provider and deals with security and contractual issues surrounding the electronic transfer of data among them. The Legal Framework saves parties time by not having to negotiate individual contracts and creates certainty and consistency around the eServices. In January 2018 the Legal Framework was extended to support GDPR.

Version: 4.0

Issued: January 2018

<https://www.criterion.org.uk/lf>

Work in 2014 on B2B2C and Auto Enrolment (AE) identified a need to extend the LF to support the following business models:

- B2B2C scenarios, where an Adviser is not present;

<https://www.criterion.org.uk/lfanp> – Legal Framework Adviser Not Present

Version: 2.0

Issued: January 2018

- AE scenarios, where third parties such as Employee Benefit Platforms, AE Consultants and potentially other similar organisations may be treated as TPSPs within the LF.

<https://www.criterion.org.uk/lfae> – Legal Framework Auto Enrolment

Version : 2.0

Issued : January 2018

These versions have also been updated to include support for GDPR.

2.2 AUTOMATIC ENROLMENT STANDARDS SET UP

The AE Standards developed in 2012 to 2013 are listed below along with a description of their purpose. The AE Standards are also cross-referenced on the End to End Case Study Diagram in Section 3 below illustrating where in the AE process the AE Standards can be deployed. The AE Standards below support Qualifying Workplace Schemes (Group Pensions).

2.2.1 RECEIVE AE ASSESSMENT EMPLOYEE LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/receiveautoenrolmentassessmentlist>

The ReceiveAEAssessmentList service allows an Employer (or their representative) to provide sufficient employee and other data to support calculation of AE status to an Automatic Enrolment Assessment Service Provider. See diagram in Section 3 at (1).

2.2.2 RECEIVE AE POSTPONEMENT ESTIMATION LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/ReceiveAEP postponementEstimationList>

The ReceiveAEP postponement Estimation List service allows an Employer (or their representative) to provide sufficient employee and other data to an Assessment Service Provider to support postponement and the estimation model of assessment. Scheme Providers using the estimation model to supply Assessment Services may require no further data. See diagram at Section 3 at (2).

2.2.3 RECEIVE AE ASSESSED EMPLOYEE LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/ReceiveAutoEnrolmentAssessedEmployeeList>

The ReceiveAEAssessedEmployeeList service allows an Assessment Service Provider to provide Automatic Enrolment assessment outcomes along with data used to calculate Automatic Enrolment outcomes ('answers and workings') to an Employer. ReceiveAEAssessedEmployeeList may also be consumed by Qualifying Workplace Pension schemes wishing to validate Automatic Enrolment Assessment calculations. See diagram in Section 3 at (3).

2.2.4 RECEIVE AE ASSESSED EMPLOYEES FOR ENROLMENT LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/ReceiveAEAssessedEmployeesForEnrolmentList>

The ReceiveAEAssessedEmployeesForEnrolmentList service allows an Automatic Enrolment Assessment Service Provider to provide Automatic Enrolment assessment outcomes sufficient to allow management of Automatic Enrolment processes to an Automatic Enrolment Service Provider. It is essentially a cut-down version of the Receive AE Assessed Employees List Standard containing the outcome of AE assessment without all the workings.

2.2.5 RECEIVE AE NEW MEMBERS DATA LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/ReceiveAENewMemberDataList>

The ReceiveAENewMemberDataList service allows an Automatic Enrolment Service Provider to provide sufficient details to allow membership records to be created because of Automatic Enrolment or opting in to a Scheme Provider. There are two versions of this Standard: this one allows for core enrolment data only and does not carry data used in only a minority of enrolments, (see 2.3.6 below). See diagram in Section 3 at (5/6).

2.2.6 RECEIVE AE EXPANDED NEW MEMBERS DATA LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/ReceiveAEEExpandedNewMemberDataList>

The ReceiveAENewMemberExpandedDataList service allows an Automatic Enrolment Service Provider to provide sufficient details to allow membership records to be created as a result of Automatic Enrolment or opting in to a Scheme Provider. There are two versions of this Standard: this one carries data used in only a minority of enrolments. An alternative version is available which contains the core data only, (see 2.6.5 above). See diagram in Section 3 at (5/6).

2.2.7 RECEIVE AE OPT OUT OPT IN JOINER LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/ReceiveAEOptOutOptInJoinerList>

The ReceiveAEOptOutOptInJoinerList service allows an Automatic Enrolment Service Provider to provide details of Employees' outcomes following communication of AE assessment outcomes to an Employer. Automatic Enrolment Service Providers may retain this information, providing Employers access to it on demand. See diagram in Section 3 at (7).

2.2.8 RECEIVE GROUP SCHEME CONTRIBUTION LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/receivegroupschemecontributionlist>

The ReceiveGroupSchemeContributionList service allows the implementer to receive contribution collection information (payment schedules and/or remittance advice) from an Employer or Employer's representative. See diagram in Section 3 at (8).

2.2.9 RECEIVE GROUP SCHEME CONTRIBUTION CESSATION LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/receivegroupschemecontributioncessationlist>

The ReceiveGroupSchemeContributionCessationList service allows the consumer (typically an Employer's Proxy, Employer's Payroll Provider or a Scheme Provider) to receive contribution cessation information from an Employer, Employer's Payroll Provider or Employer's Proxy. See diagram in Section 3 at (9).

2.2.10 RECEIVE GROUP SCHEME CONTRIBUTION REFUND LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/receivegroupschemecontributionrefundlist>

The ReceiveGroupSchemeContributionRefundList service allows the consumer (typically an Employer, Employer's Proxy or Employer's Payroll Provider) to receive contribution refund information from a Scheme Provider. See diagram in Section 3 at (10).

2.2.11 RECEIVE AE PAYROLL SINGLE UPDATE LIST

Products : Qualifying Workplace Pension Schemes

Version : 1.0 Final

Issued : May 2014

<https://www.criterion.org.uk/ReceiveAEPayrollSingleUpdateList>

The ReceiveAEPayrollSingleUpdateList service allows a Scheme Provider (or other organisations supplying AE services to an Employer) to provide details to an Employer (or their payroll function) of any enrolments, contribution changes and cessations which impact the Employer's payroll deduction data. See diagram in Section 3 at (11).

2.2.12 RECEIVE AUTOMATIC ENROLMENT EMPLOYEE LIST

Products: Qualifying Workplace Pension Schemes

Version: 1.0 Draft Final

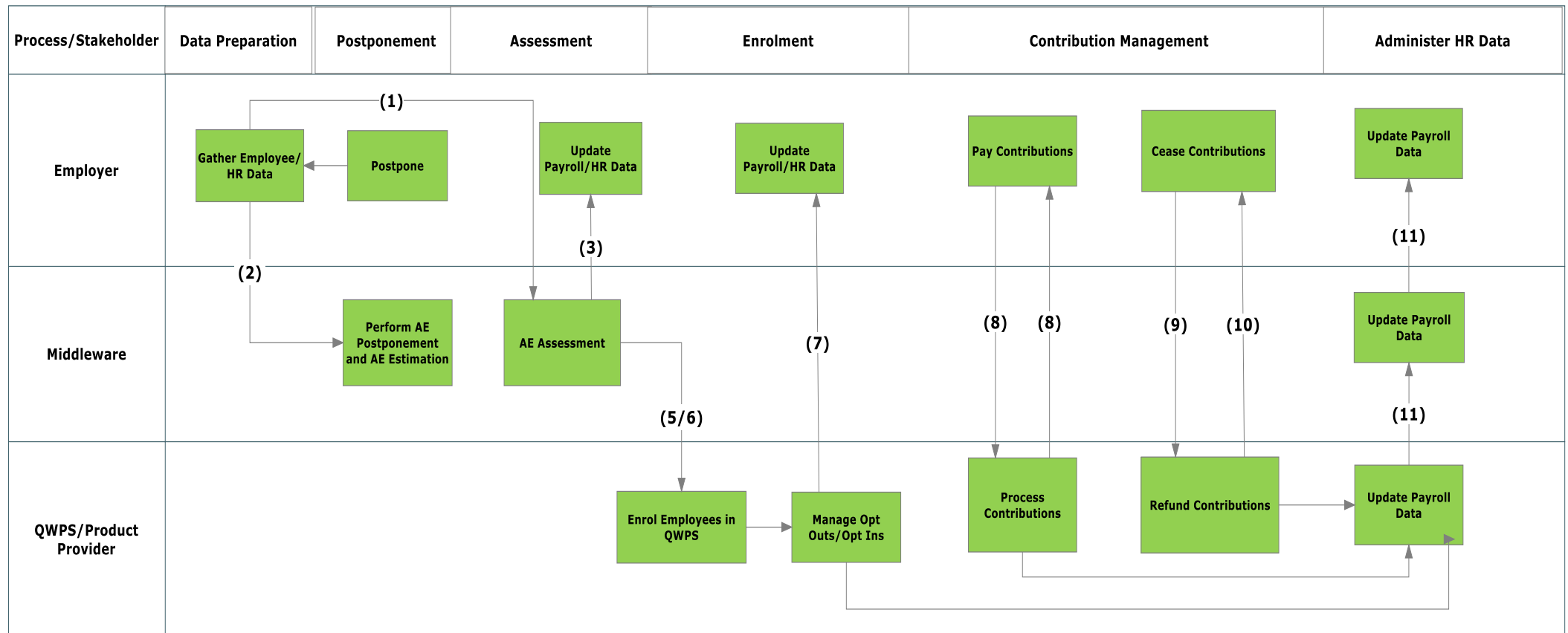
Issued: October 2012

This Service was the original Receive AE Employee List that was developed containing all the data items to support the Assessment, Postponement and Enrolment processes.

This service has effectively been replaced by the seven services described in Sections 2.2.1 to 2.2.7 above but is included here as an historical record.

3.AUTOMATIC ENROLMENT END TO END CASE STUDY DIAGRAM

The following diagram illustrates where AE Standards Support the AE Process.



The diagram above demonstrates one instance of the End to End process; others may use the Standards in a different context.

Key :

- (1) = Receive AE Assessment Employee List.
- (2) = Receive AE Postponement Estimation List.
- (3) = Receive AE Assessed Employee List.
- (4) = Receive AE Assessed Employee List for Enrolment (see Note a) below).
- (5) = Receive AE New Members List.
- (6) = Receive AE New Members Expanded List.
- (7) = Receive AE Opt In/Opt Out/Joiners List.
- (8) = Receive Group Contribution Collection List (see Note b) below).
- (9) = Receive Group Contribution Cessation List.
- (10) = Receive Group Contribution Refund List.
- (11) = Receive AE Payroll Single Update.

Note to Keys :

- a) The Receive AE Assessed Employee List for Enrolment is not covered in the diagram, but this Standard would be used where a Scheme Provider for example simply receives the output of the AE Assessment for Enrolment from another party.
- b) The Receive Group Contribution Collection List has a data flow from Employer to Scheme Provider and a data flow from Scheme Provider to Employer to reflect that contribution information can either be payment advice or billing.
- c) The two unlabelled flows at the bottom right of the diagram represent internal processes not supported by AE Standards.