

# Making data protection easier

May 2016

## Introduction

As the risk of fraud increases, individuals are becoming increasingly aware of the need to protect their own personal data. Trustees and employers need to understand exactly what they are required to do.

## 8 steps to understanding data protection

1. Since employers and trustees hold personal data, they must register with the Information Commissioner. Personal data includes all membership data that identifies a particular individual.
2. Scheme members must be told why you need to collect personal data and what you intend to do with it. Application forms are an opportunity for you to ask members to agree to your use of their personal data. You should regularly review all forms to see that they provide adequate information about data protection. This is particularly important if you intend to pass members' personal data on to someone else.
3. You'll need to be particularly careful with sensitive personal data, such as data about health or race. You must usually obtain members' consent every time you collect sensitive data. The consent should usually be in writing. If not, you should at least record that the member consented.
4. If you intend to provide any personal data to a third party (such as scheme administrators), then you must put in place a written agreement, setting out what you and the third party will do to ensure compliance with data protection. Trustees and employers may be held liable if the third party fails to comply. You will need to deal with additional requirements if any data is to be passed outside the European Economic Area.
5. Trustees do not have an automatic right to transfer personal data to employers (and vice versa). If an employer wishes to contact members about, say, enhanced transfer values, the trustees will need to check what information they can pass on.
6. Make sure that you have appropriate security standards in place. You should consider using encryption software, and make sure that only authorised people can access personal data. Think twice before sending an application form for an ill-health early retirement pension to a trustee's home email address.
7. You should put in place procedures for dealing with requests from members about their personal data, and consider an action plan to follow if personal data is leaked.
8. A number of different sanctions are available to the Information Commissioner ranging from fines to criminal prosecutions. The maximum fine is £500,000.

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## Further reading

The Information Commission provides [further information](#) on their website.

Pensions law can be tricky... but it doesn't have to be. These 'making it easier' guides explain key issues in simple terms, giving practical help to trustees and employers.

The series is growing; additional copies can be downloaded from [www.pinsentmasons.com](http://www.pinsentmasons.com)

Current topics include: Using advisers; Scheme changes and Becoming a trustee

Comments and ideas for further topics are welcome...

Email: [Stephen Scholefield](mailto:Stephen.Scholefield@pinsentmasons.com)



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