

Explanatory Notes

Template Memorandum of Understanding in relation to AVC Provider Dashboards Services for LGPS Administering Authorities

1. Introduction

- 1.1 Administering authorities of the Local Government Pension Scheme (**LGPS**) are required to comply with various legal requirements in relation to pensions dashboards.
- 1.2 Administering authorities are required to connect to the dashboards ecosystem by the connection deadline of 31 October 2026. However, in accordance with guidance issued by the Department for Work and Pensions, administering authorities are required to have regard to the connect by date, which for the LGPS was 31 October 2025.
- 1.3 Administering authorities need to reach agreement with their AVC providers on several issues in relation to pensions dashboards, to ensure full compliance with the various legal requirements. The Template Memorandum of Understanding (the **MoU**) may help to achieve this.

2. Purpose of the MoU

- 2.1 The Template Memorandum of Understanding (the **MoU**) has been designed as an indicative guidance tool to enable a productive discussion to take place between an administering authority and its AVC provider (each a **Party**, together the **Parties**), to enable them to develop a shared understanding of how they will comply with the various pensions dashboards requirements and data protection laws.

3. Using the MoU

- 3.1 The MoU is designed to be non-legally binding. Where an administering authority chooses to complete the MoU with its AVC provider, each Party should do so with the support of their own legal advisers and with reference to these Explanatory Notes.
- 3.2 Although non-legally binding, the completed MoU will provide a written framework for the Parties to refer to when implementing their chosen approach to complying with the various legal requirements in relation to pensions dashboards.
- 3.3 It is anticipated, that the Parties may, at their own risk, subsequently consider it appropriate to enter into legally binding contractual arrangements to reflect the content of the MoU, each having taken appropriate bespoke legal advice on the MoU and any subsequent binding contractual arrangements.
- 3.4 The precise form of any new contractual arrangements will need to take account of any existing contractual arrangements between the Parties.
- 3.5 We appreciate that, in some cases, the existing contractual arrangements between the Parties may not be straightforward to ascertain, where historical arrangements have been in place for a long time and relevant documentation may not be easily accessible. The Parties may wish to obtain bespoke legal advice where there is any uncertainty in this regard.

4. Important Notes

- 4.1 The MoU and these Explanatory Notes have been provided by Osborne Clarke LLP solely for the benefit of our client, the Local Government Association (**LGA**). They are legally privileged

and provide general advice to the LGA. Administering authorities should seek and rely on their own legal advice, including in relation to their relationships with their AVC providers and their specific circumstances.

- 4.2 We understand that the LGA may wish to publish this advice on the LGA website so that it may be shared with administering authorities. However, this advice is prepared solely for the LGA as our client, and we do not accept any liability to administering authorities (or any other person) in respect of the advice.
- 4.3 No person, other than the LGA, may rely on these documents. Accordingly, we accept no duty of care or other liability in respect of these documents to any person except the LGA. Publication of this advice on the LGA website (or any other sharing or disclosure of it with or to third parties) does not constitute a waiver of privilege (or confidentiality) in any other legal advice we provide to the LGA.
- 4.4 The MoU and these Explanatory Notes provide general legal advice to the LGA only, and should not be considered as accounting, actuarial, financial or tax advice.
- 4.5 The MoU and these Explanatory Notes relate to the laws of England and Wales only as at the date of these Explanatory Notes. We will only update the MoU and these Explanatory Notes if the LGA specifically requests us to do so.

5. **Interaction with the Local Government Association guidance**

- 5.1 The MoU has been designed to be read in conjunction with the guidance prepared by the Local Government Association (**LGA**) on pensions dashboards, in particular:
 - (a) the LGPS Pensions Dashboard connection guide for administering authorities; and
 - (b) the AVCs and Pensions Dashboards guide for LGPS administering authorities (the **LGA AVC Dashboards Guidance**).

These can be found on the [Administrator guides and documents](https://www.lgpsregs.org/Administrator-guides-and-documents) page of www.lgpsregs.org

6. **Other guidance**

- 6.1 Administering authorities may also find it helpful to review the following other guidance:
 - (a) guidance prepared by the Pensions Administration Standards Association (**PASA**) on pensions dashboards, particularly the Dashboards Toolkit, which contains detail on implementing dashboards with AVC providers. This can be found on the [Dashboards Toolkit](https://www.pasa-uk.com/Dashboards-Toolkit) page of www.pasa-uk.com;
 - (b) the 'Pensions dashboards: initial guidance' prepared by the Pensions Regulator (**TPR**), first published on 22 June 2022, most recently updated on 18 June 2025. This can be found on the [Pensions dashboards: initial guidance](https://www.thepensionsregulator.gov.uk/Pensions-dashboards-initial-guidance) page of www.thepensionsregulator.gov.uk;
 - (c) guidance prepared by the Pensions Dashboards Programme (**PDP**), which can be found on the website www.pensionsdashboardsprogramme.org.uk.

7. **Multiple Source Approach or Single Source Approach**

- 7.1 One of the most important decisions to be made by the Parties is the method by which data will be provided to the dashboards ecosystem, specifically, whether to adopt either:

- (a) the multiple source approach (whereby the AVC provider sends data directly to the ecosystem); or
- (b) the single source approach (whereby the AVC provider sends data to the administering authority periodically, and the administering authority then sends the data to the ecosystem).

7.2 There are two variants of the multiple source approach:

- (a) 'linked' (whereby there is a unique code linking the member's main scheme benefits to their AVC benefits); and
- (b) 'not linked' (whereby the benefits of the main scheme are not linked to the AVC benefits).

7.3 The LGA AVC Dashboards Guidance does not recommend the latter approach. The MoU therefore proceeds on the basis that where the multiple source approach is adopted, this will be the multiple source linked approach.

7.4 In relation to the multiple source approach, all administrators of a pension scheme (including AVC providers) should connect to the dashboards ecosystem on the same date.

7.5 Further information about the multiple source approach and the single source approach is explained in the LGA AVC Dashboards Guidance.

7.6 The MoU has been designed to enable the Parties to record which approach they will adopt and to consider issues that arise in relation to their chosen approach.

8. Explanatory Notes

Clause No.	Subject matter	Explanatory Notes
Main body of the MoU		
Recitals	Background	The Recitals set out the Parties' shared understanding of the background to the MoU.
1.	Definitions and interpretation	This Clause sets out the defined terms used in the MoU.
2.	Introduction and cooperation	This Clause explains that the MoU is non-legally binding, that the Parties will cooperate and that the Parties may, at their own risk, subsequently consider it appropriate to enter into legally binding contractual arrangements to reflect the content of the MoU.
3.	Multiple Source Approach or Single Source Approach	This Clause can be amended to reflect whether the Parties intend the Multiple Source Approach or Single Source Approach to apply. The relevant Schedule of the MoU can be selected.
4.	Understanding of the Dashboards Requirements	This Clause contains a broad requirement on the Parties to maintain a sufficient understanding of the law in relation to pensions dashboards, including in relation to any changes to that law, so that all legal requirements can be complied with. The Parties will need to seek legal advice as appropriate.

5.	Information requests	This Clause contains a general provision that the Parties will provide documentation and information to each other as requested (unless a more specific provision in one of the Schedules applies).
6.	Operational plan	This Clause provides that the Parties will maintain an operational plan to cover all aspects of the work required related to the dashboards services that the AVC provider is providing to the administering authority, and to have such operational meetings as may be agreed.
7.	Data protection	This Clause allows the Parties to record their understanding of whether the AVC provider will be a processor or a joint controller for the purposes of data protection legislation. Outside of the MoU, this Clause envisages that the Parties will agree legally binding contractual terms in relation to data protection (including in relation to cyber security), reflecting the obligations upon each of them to protect data, and to prepare and maintain a data protection impact assessment.
8.	Contacts and notices	This Clause can be completed to provide full contact details for each of the Parties.
9.	Governing law and jurisdiction	This Clause is a standard clause providing for the laws of England and Wales to apply and for the courts of England and Wales to resolve any disputes.
10.	Third Parties	This Clause is a standard clause providing that no other person has any rights under the MoU.
Schedule 1: Multiple Source Approach		
	Implementation of the Multiple Source Approach	This Schedule provides a framework for the Parties to agree the detail of how they will implement the Multiple Source Approach. This Schedule should be considered in conjunction with the Parties' own due diligence to ensure that all matters are covered.
Schedule 2: Single Source Approach		
	Implementation of the Single Source Approach	This Schedule provides a framework for the Parties to agree the detail of how they will implement the Single Source Approach. This Schedule should be considered in conjunction with the Parties' own due diligence to ensure that all matters are covered.

Osborne Clarke LLP

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