



Tackling key person risk in pensions administration

▶ Daniel Taylor explains why reducing reliance on individual expertise and building skills depth across teams is essential to strengthen pension scheme governance

Pensions administration is built on expertise and professional judgement developed over many years. It relies on people who understand scheme rules stretching back decades, who can interpret legislation with care, guide trustees through complex decisions and support members at pivotal moments in their lives.

Yet this reliance on individuals, however capable they may be, brings risk.

Across the industry, we all know the 'go to' person. The technical specialist who understands a scheme's quirks better than anyone else and can spot an anomaly instinctively. The client lead who handles sensitive relationships with calm authority. The operations manager who knows how things really work beneath the process charts.

When knowledge, judgement and relationships sit with individuals rather than being deliberately developed and shared, key person risk builds. The risk is not theoretical. It affects service continuity, governance standards, operational resilience and ultimately member outcomes.

As board sponsor of the PASA Administration and Careers Working Group, I have seen how persistent this challenge is. Career pathways in pensions administration are often unclear, particularly mid-career. Job titles vary widely between employers and skills are not always recognised consistently. Experience can be deep, but not easily portable.

In this environment, capability concentrates. Talented people grow into roles over time, sometimes without a clear framework around them. They become indispensable to colleagues and

clients and, in turn, difficult to replace.

At the same time, expectations are rising. The General Code has sharpened the focus on governance and assurance. Trustees expect clearer accountability and stronger oversight. Digital change and automation are reshaping day-to-day processes, from how calculations are performed to how workflows are managed and data is controlled.

Technology will help by improving accuracy and efficiency, but it doesn't replace professional judgement or remove the need for experienced oversight. It cannot explain a complex issue to a trustee board in balanced terms or decide the right course of action when something goes wrong. As routine activity becomes more automated, the relative importance of human capability increases, and the qualities which will truly differentiate strong administration services are judgement, communication, leadership, risk awareness and ethical decision making.

If those qualities sit with a small number of experienced practitioners and are not developed in others, key person risk intensifies rather than reduces.

This is why the PASA working group has taken a skills first approach to career pathways. Rather than starting with hierarchy or job titles, we're focusing on defining job families by the nature of the work and the skills required. In practice, this means recognising member operations, technical expertise, quality and risk, client relationship management, project delivery, business change, finance and people leadership are distinct but

equally valuable ways of contributing to the profession.

Defining roles by skill balance rather than title shifts the conversation. It makes capability visible, creates a shared language across employers and supports lateral as well as upward progression. It also gives organisations a clearer view of where expertise is concentrated and where succession needs attention.

A skills-based view of careers helps individuals see a sustainable future in pensions administration. A strong technician doesn't need to move into people management to succeed. A client-facing leader may need to deepen behavioural capability rather than accumulate more technical knowledge.

Addressing key person risk isn't about diminishing expertise. It's about respecting it enough to pass it on.

If the industry genuinely wants to strengthen standards and long-term resilience, it needs to invest in structured development and clearer pathways. This means valuing both technical excellence and behavioural capability and creating environments where experienced practitioners are expected and supported to mentor and develop those coming through behind them.

Resilience in our sector will not come from systems alone. It will come from building depth across teams rather than relying on individual brilliance. Depth, not dependency, should define modern pensions administration.

▶ Written by PASA board member, Daniel Taylor