

Report of the Director West Yorkshire Pension Fund to the meeting of Pension Board to be held on 19 April 2017.

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Subject: Update on the Guaranteed Minimum Pension (GMP) Reconciliation Exercise

Summary statement:

This exercise is to wind up the contracted out element link between the LGPS (Local Government Pension Scheme) and the SERP's (State Earnings Related Pension Scheme) which affected members with service between 6 April 1978 and 5 April 1997.

The reconciliation process is designed to allocate all GMP liabilities to the correct Fund before the deadline in 2018, after which, the relevant Fund that holds the record will be liable for pension inflation increases.

The amount of the GMP will contribute towards the calculation of the members' benefits in the New State Pension system and this began on 6 April 2016.

Recommendations:

That the update in this report is noted and the potential additional workloads anticipated from this exercise are acknowledged.

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1. Update

- 1.1 We are already registered with HMRC and have received the data from them which is being compared with our records. This includes data for Lincolnshire Pension Fund and the Fire and Rescue Authorities.
- 1.2 This work began in January 2017. The duration of the exercise will be determined by the number of records which require attention. The initial data match is due to be completed April / May 2017 when we will be able to determine the resources required to complete the GMP reconciliation.
- 1.3 Staff in the UPM team have begun the work to build up the match criteria against our records. They have done this using the recommended £2 plus and minus tolerance suggested by HMRC. The results from the current run are a positive match of 83.9% (121,607 members) against the WYPF membership.
- 1.4 Currently there are 23,343 cases which do not match, but there are still further matching criteria to build into the exercise. When the matches reach a higher proportion, we will test a £1 plus or minus tolerance against the results to establish how accurate our GMP data is on members' records.
- 1.5 Once all the match criteria are completed, the first cases we will work on will be the cases which don't match and for which we believe we have no liability.

