

Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 8 November 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 which began on 6 April 2016.

Recommendation

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

Rodney Barton
Director

Portfolio:

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Overview & Scrutiny Area:

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 work has now been handed to our Pension System development Manager to deal with due to the impending maternity leave of the current officer working on this project. The initial data match work is now due to be completed within the next month or so, and definitely before Christmas.
- 1.3 The current numbers are in the table below: (folders are members files):

		WYPF LGPS	LPF LGPS	Fire (All)
Total Folders		144,950	24,582	6,140
GMP Reconciled	How Many	122,783	18,774	3,909
	<i>Percentage</i>	84.7%	76.4%	63.7%
Still to do	How Many	22167	5,808	2,231
	<i>Percentage</i>	15.3%	23.6%	36.3%

- 1.4 After the data match stage, the next steps will determine three categories that the cases fall into. This will be cases which are correct and are therefore 'done'; cases which need to be fixed by a recalculation of the GMP or cases which we will upload to be queried with HMRC. This will predominantly include cases which we do not agree belong to us.
Currently we are told that HMRC are taking over three months to respond to queries.
- 1.5 The cases which need recalculating will be automated and done in bulk where possible. Therefore we expect the number of cases requiring manual review to be very small.
- 1.6 The project end date is December 2018, after which, HMRC will write to everyone to confirm with them who is responsible for their GMP liability.