

Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 28 March 2018.

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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.

Recommendation

That the Board note the update in this report and acknowledge the potential additional workloads anticipated from this exercise.

Rodney Barton
Director

Phone: (01274) 432317
E-mail: Rodney.barton@bradford.gov.uk

Report Contact: Grace Kitchen
(01274) 434266
E-mail grace.kitchen@wypf.org.uk

1. Update

1.1 The GMP Reconciliation project has progressed well in recent weeks, and WYPF are now in a position to start raising queries with HMRC where mismatches occur.

1.2 Results remain encouraging, and using an example from one of our fire schemes, the HMRC data has been matched to the data held by WYPF with the following outcomes:

<u>Outcome</u>	<u>Number</u>
Fully Reconciled within tolerance	1244
Transfer Out	12
Not in Scheme	15
Not in Scheme (but actually elsewhere within WYPF)	37
Still to review	700

Queries have been submitted to HMRC relating to the items in the shaded area.

1.3 Our initial investigations suggest that transfers-in are one of the main reasons for the differences between HMRC and WYPF records. It is possible that the correct transfer notices were not completed and sent to HMRC by former schemes when the transfers took place.

1.4 Work is continuing on this project and the aim of our Member Services Manager (UPM Development) is to then automate as much of this work as possible to reduce the impact on pension administrators.