

**London Borough of Enfield**

<b>UPDATE TO</b>	<b>Local Pension Board 18<sup>th</sup> December 2018</b>
<b>SUBJECT</b>	<b>Briefing Update – Guaranteed Minimum Pensions (GMP) Project</b>
<b>LEAD OFFICER</b>	<b>Tim O'Connor – Pension Manager</b>
<b>Date</b>	<b>5.12.2018</b>

**1. RECOMMENDATIONS – ITEM NO 4**

1.1 To note the contents of this update.

**2. EXECUTIVE SUMMARY**

2.1 The purpose of this update is to highlight the project work surrounding the reconciliation of GMPs as part of the pensions administration team.

**3. BACKGROUND**

3.1 The option to contract-out of the State Second Pension (S2P) came to an end in 2016 when the Single State Pension was introduced. Prior to April 1997 the minimum level of benefit the DB scheme had to provide was known as a Guaranteed Minimum Pension (or GMP), which still forms part of some members' benefits.

3.2 When contracting-out ended in April 2016, HM Revenue and Customs (HMRC) no longer tracks contracted-out rights and issued closure schedules to schemes so they can compare these against GMP amounts held on scheme records. This is known as a GMP reconciliation.

3.3 The Pensions team have conducted and submitted our reconciliation response to HMRC.

3.4 HMRC will respond again with final confirmation and any bill outstanding (appendix 1).

3.5 We will issue a full report once we have the response from HMRC which is due to be issued by March/April 2019, we will keep the Board informed.

Tim O'Connor, Pensions Manager

7 December 2018

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## Appendix

### No 1

There will be a bill for any CEP (certified equivalent premiums) outstanding. This is an amount to buy people back into the state pension and funds pay this when a member takes a refund.