

<b>MEETING</b>	<b>Pensions Committee</b>
<b>DATE</b>	<b>8 November 2018</b>
<b>TITLE</b>	<b>GMP (Guaranteed Minimum Pension) Reconciliation</b>
<b>PURPOSE OF THE REPORT</b>	<b>Update the Committee about the reconciliation work as the process nears completion</b>
<b>AUTHOR</b>	<b>Nicholas Hopkins – Pensions Manager</b>
<b>RECOMMENDATION</b>	<b>For information only</b>

## **1. BACKGROUND**

- 1.1 Committee members will be aware that a three person team was established in January 2016 to deal with GMP (Guaranteed Minimum Pension) reconciliation. Progress reports were submitted to Committee meetings held in November 2016 and 2017.

## **2. UPDATE**

- 2.1 The temporary member of staff (appointed to the team from June 2016) obtained a permanent post as of the end of July 2018. As most of the work had been completed, with queries sent to HMRC, it was decided that for the short time remaining on the project, a replacement would not be sought.
- 2.2 As of October 2018, there were 134 queries awaiting reply from HMRC. Gwynedd Pension Fund (GPF) maintains that 30 of these are 'not in scheme' due to refunds having been paid, and therefore there should be no GMPs in the Fund. In such cases a Contribution Equivalent Premium would be due to HMRC. GPF maintain that these payments have been made and is therefore challenging HMRC about the facts.
- 2.3 Of particular concern are those where GPF and HMRC disagree about their contracted out circumstances. These are referred to as 'stalemate cases' and vary from cases where benefits have been transferred out (including the GMP) to other schemes, but HMRC maintain that GPF retain liability, to dependant pensioners where GPF pays a widow/widower GMP but HMRC maintain there is no widow/widower entitlement.
- 2.4 GPF currently has 119 widow/widower cases designated as 'stalemate'. Although entitlement under pension regulations has been confirmed by double checking marriage and birth certificates, HMRC still insist there is no entitlement.

- 2.5 'Stalemate' issues have been raised with the Westminster Government's Ministry of Housing, Communities and Local Government (MHCLG), who in turn raised it with Treasury. A letter dated 25 September 2018 from Paul Kirk (Head of Public Service Pensions at Treasury) to Sophie Broadfield (Minister of Housing and Local Government) stated that such cases should be resolved between schemes and HMRC on an individual scheme basis. This remains an issue requiring further investigation.

### **3. CONCLUSIONS**

- 3.1 I am pleased to be able to inform members that GPF are in a comparatively good position as regards the GMP reconciliation project. The two person team will finish on 31 December 2018 as the team leader retires and the seconded Pensions Officer returns to the Pension Section having gained valuable experience.
- 3.2 Any outstanding issues will transfer to the main Pension Section's day to day work.