

Pension Fund Board

Title:	GMP Reconciliation
Date:	Thursday 18 July 2019
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Local members affected:	N/A

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The end of contracting-out of the Additional State Pension from April 2016 instigated a data reconciliation exercise which was initially required to be completed by 31 December 2018. This deadline has not been met due to HMRC amending the date for reporting final queries. This is due to take place in June 2019. The purpose of the exercise is to ensure that the information held by the Fund in relation to periods of Pension Fund members' contracted out employment correctly matches the data held by HMRC.

Recommendation

The Board is asked to NOTE the report.

Supporting information

The Fund engaged ITM to undertake the reconciliation. ITM expect to complete the project by autumn 2019. Appendix 1 is the latest progress report from ITM.

Reconciled

ITM have identified 38,526 records where the Fund has no GMP liability - GMP is zero on both the administration and HMRC records.

5,171 are an exact match – GMP on the administration and HMRC records reconcile exactly.
6,882 records are within tolerance – the difference between the administration and HMRC GMP is less than the tolerance level set at £2 per week. This is in line with the Pensions Administration Standards Association (PASA) and the Local Government Association (LGA).

Proposal

Proposal made to client - there are 1,714 members where bulk analysis suggests that either the admin or HMRC data should be accepted and a decision from the client is required.

Proposal made to HMRC – there are 1,396 queries raised with HMRC where ITM have provided information to show that the member has no further liability in the scheme and HMRC should accept the admin data.

Unreconciled

There are 751 records where ITM are awaiting data from the client. These are as a result of bulk analysis where a review of member files is required to resolve a query that cannot be dealt with by the extraction of data from the administration database. ITM have raised 7,997 cases with HMRC which are awaiting data. This is expected in the final June 2019 download. Once completed, ITM will move onto the final stage in the process, the rectification of records. The aim is for this to be completed by June 2020.

Background Papers

None
