

JANUS HENDERSON GROUP PENSION TRUSTEES LIMITED

GMP Equalisation

As you may be aware, the Scheme is currently going through the process of implementing 'GMP equalisation'.

Background

The High Court gave a series of judgements which concerned whether and how Guaranteed Minimum Pensions (GMPs) should be equalised for males and females in all relevant occupational pension schemes (like the Scheme).

GMP is a benefit that pension schemes which were contracted out of the State Second Pension prior to 6 April 1997 are required to pay to members. Under the law, GMP was originally calculated differently depending on whether the member was male or female.

The principle that pension schemes are required to provide equal benefits to males and females has now been extended to cover GMP as well.

The judgement only applies to benefits built up between 17 May 1990 and 6 April 1997, so only members (or their dependants) with pensions built up over this period will be affected.

Current Position

The process in practice of equalising GMP is complex and time consuming. This also needs to be undertaken whilst business as usual for the Scheme is maintained.

However, that work is well underway and we are continuing to process all of the relevant records from 17 May 1990 to 6 April 1997 so we can assess whether any changes to benefits accrued in that period now need to be made.

It should be noted that GMP often only makes up a small part of an individual's pension and so the amounts involved in addressing any inequality once we have fully assessed this are likely to be small. Indeed, many members will receive no increase (as they have not been disadvantaged by the way their benefits have been treated anyway) and many members will not have benefits built up within the Scheme between 17 May 1990 and 6 April 1997.

Do I need to take any action?

Members do not need to take any action.

As mentioned above, the Scheme is continuing to work through historic records, and we will look to contact affected members once that work is complete.