



5 STEPS

TO PREPARE YOUR SCHEME FOR GMP EQUALISATION



01

Be proactive



Take a considered approach by understanding and establishing an equalisation strategy. Although this is not ground-breaking advice for schemes, it is a regular occurrence that other priorities often get in the way.



02

Complete any GMP reconciliation and subsequent rectification projects



Some schemes may consider trying to sweep up this rectification piece in conjunction with equalisation. Although in principle this is a sensible idea, careful consideration should be observed especially if equalisation is envisaged to be a number of months/years away.



03

Establish in-scope members for GMP equalisation and focussed bulk data cleanse



Identify bulk data cleansing opportunities. For in-scope members e.g. obtaining missing first life links for dependants. Additional GMP reconciliation activity around historic data can improve accuracy e.g. reconciling pensioner contracting out termination dates with dates of leaving service.



04

Calculate post 90 GMPs on both true and opposite sex basis.



Post 90 GMPs are required whatever Judgment Method is being applied. For members below GMP payment age, then re-tranched benefits may need to be held on the administration systems. For all members, the post 90 GMP is required in the calculations. The post 90 excess is required for members requiring anti-franking tests.



05

Baseline the C2 calculations for pensioners and dependants and identify relevant data or calculation issues.



Arrears calculations are required whatever Judgment Method is chosen. Calculations are highly automated and repeatable. Produce initial pensioner/dependant adjustment results to baseline arrears/uplift. Undertake a technical analysis and configuration to improve accuracy. Keeping data and calculation work together gives synergy - allowing effort and resources to be focussed on where it matters, once the destination is agreed.

EQ approach minimises the historical data requirement without losing accuracy. The ring-fence (90-97) technique uses sophisticated direct formula. Reconstruction is only used in a narrow set of circumstances if additional accuracy is required e.g. GMP only to obtain accurate arrears.