

Press release: Trustees to mitigate the effect of unequal GMP's on pension income

Official government guidance mitigating the effect of unequal Guaranteed Minimum Pensions (GMP) was published today (18 April 2019).

The 10 step process follows last year's landmark Lloyds judgment and provides trustees with a road map to mitigate the effect of unequal Guaranteed Minimum Pensions on pension income.

The guidance, developed in conjunction with an industry working group, provides a recommended road map for trustees to follow in ensuring they comply with last year's landmark Lloyds judgment.

Judges in that case found the GMP system had historically operated unequally. The High Court ruling endorsed the government's methodology for the complex process of restoring equality to GMP schemes.

Minister for Pension and Financial Inclusion, Guy Opperman said:

This vital guidance will provide pension trustees with the detailed road map they need to navigate this complicated equalisation process, ensuring they can meet their legal obligations.

I am determined to ensure that pensions are fair for everyone and this guidance will help achieve this.

A GMP is the minimum pension that an occupational pension scheme, contracted out of the Additional State Pension between 6 April 1978 and 5 April 1997 on a salary-related basis, has to provide to its members. GMPs were abolished for contracted out service after 5 April 1997.

There is no single method by which schemes can equalise benefits for the effect of GMPs. It is for the trustees of each scheme to decide the methodology that is most appropriate for their scheme.

Read the guidance on [equalising pension for the effect of unequal Guaranteed Minimum Pensions](#)

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