



PRESS RELEASE

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The PASA led GMP Equalisation Working Group issues ‘When to Rectify’ Guidance

The cross industry GMP Equalisation Working Group (GMPEWG), has issued its latest guidance, [‘When to Rectify’](#). The GMPEWG is chaired by the Pensions Administration Standards Association (PASA) through Geraldine Brassett, who leads PASA’s own GMP Working Group. The Pensions Administration Standards Association (PASA), is the independent body dedicated to driving up standards in pensions administration,

This new guidance created by the GMPEWG Reconciliation and Rectification Sub-Group, relates to making corrections as a result of GMP reconciliation, known as GMP rectification. The Guidance recommends four steps for trustees to undertake to ensure they make the right decision for their scheme:

1. **Understand the data:** the number of members requiring rectification and how this population overlaps with those in scope for GMP equalisation;
2. **Understand the nature and timing of the task:** when to rectify benefits, the potential approaches available and how the rectification project dovetails with the work required for GMP equalisation;
3. **Consider the impact on members:** who are in scope for GMP rectification of any delay whilst finalising the equalisation project;
4. **Document and consider the scheme’s position:** This focusses on the factors that will influence the decision about when to undertake rectification for those also impacted by equalisation.

Geraldine Brassett, Chair of the GMP Equalisation Working Group, PASA commented: “In the past, schemes would have undertaken GMP rectification once the GMP reconciliation was complete or nearly complete. However, the need to also undertake a project to equalise benefits for the effects

of GMP may result in schemes questioning whether to undertake their GMP rectification exercise once reconciliation is complete or defer this and combine it with the GMP equalisation project

“There isn’t a ‘one size fits all’ answer to this question, it’s a scheme specific decision. The starting position should be that GMP rectification should be progressed in a reasonable timeframe. In cases where GMP rectification is delayed in order to combine it with GMP equalisation, the evaluation of the impact of doing so and the rationale for deferral should be clearly documented.

“This new guidance will help trustees ensure they can be fully satisfied all members in scope are rectified and, where necessary, equalised at the right time.

Further important information on GMP rectification and reconciliation is contained in the existing PASA guidance which can be found at: <https://www.pasa-uk.com/guidance/gmp/>

ENDS

Notes To Editors

The Pensions Administration Standards Association (PASA) has been created to provide an independent infrastructure which will set, develop, guide and assess administration standards.

PASA will act as a focal point and engage with industry and government to create protocols for understanding good administration - but also appreciates there is no one size that fits all. PASA will develop evidential accreditation practices which will allow benchmarking across and between the industry regardless of how the administration is being delivered.

As well as raising the profile of pension administration generally, PASA will focus on three core activities.

1. Defining good standards of pensions administration relevant to all providers, whether in-house, third party or insurers
2. Publishing guidance to support those standards
3. Being an independent accreditation body, assessing the achievement of good standards by schemes (regardless of provider)

There is no organisation providing such services across schemes, yet there is a demand for evidence of service quality from scheme trustees, sponsors, administrators, insurers, scheme members and regulators.

About PASA Accreditation

PASA Accreditation is open to all corporate members of PASA (DB, DC, trust-based and contract-based schemes). PASA Accreditation is granted following an independent evaluation and assessment process, which includes on-site visits and the review of documentation to evidence controls, procedures, process, staff development and contractual positions with clients.

Full details on PASA can be found by visiting www.pasa-uk.com.

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