



PRESS RELEASE

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PASA ISSUES GMP EQUALISATION GROUP GUIDANCE NOTE ON TAX ISSUES

The Guaranteed Minimum Pension (GMP) equalisation working group, launched by the Pension Administration Standards Association (PASA), has issued further 'good practice' guidance to UK pension schemes.

The new guidance note highlights tax issues which schemes may encounter in adjusting benefits to correct for the inequalities of GMPs and identifies possible approaches for dealing with those issues.

Issuing the Guidance, Daniel Gerring, Chair of the Sub-group responsible for preparing the Guidance, commented: "Tax considerations are crucial for GMP equalisation exercises. Since the first judgment in the *Lloyds Bank* case established once and for all the need to equalise there has been a natural desire to get on with it. But schemes continue to be faced with difficult unresolved issues – tax often being one of the knottiest. The newsletters published by HMRC provided an important starting point and we hope that this guidance will provide a further layer of support in getting things moving."

Gerring added: "This guidance note combines commentary and analysis with good practice guidance, to help enable schemes to make informed decisions. Many schemes want to implement GMP equalisation projects as soon as they reasonably can, and we hope that this guidance will help the industry address tax issues in a pragmatic and proportionate way."

The guidance note draws on the experience and thought leadership of a group of advisers from various professions across the pensions industry.

Please see the full guidance [here](#)..

[In parallel, the GMP equalisation working group is preparing guidance on GMP conversion, which it expects to publish by the end of April 2021.]

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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