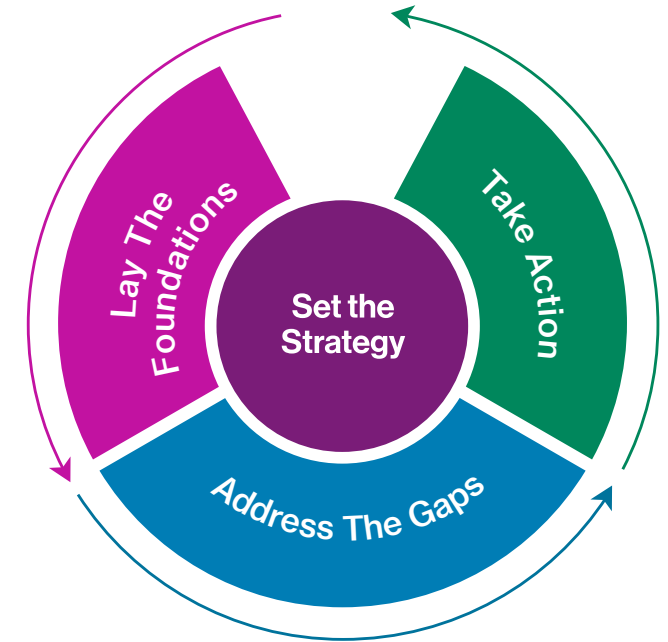


Set your strategy for GMP equalisation

The primary goal in GMP equalisation is to pay correct, equalised benefits to members and where necessary to make any backpayments that are due. At the same time, if you are considering any form of de-risking activity, there are opportunities to support this by simplifying benefits and administration as well as providing member choice on benefits going forward.

Developing the right approach

You will need to make a series of strategic decisions to determine whether you will keep or convert GMPs as well as how to equalise benefits. Your scheme actuary will work with you to explore and determine your views on a number of influencing factors, which will be more or less important based on your scheme circumstances. Once you have determined the right approach with your scheme actuary, they will work with you to agree the most appropriate equalisation methodology.



Keep GMP		Convert GMP
Lighter immediate change	◀ Administration implementation ▶	Greater immediate effort required
Greater ongoing administration required	◀ Ongoing administration ▶	Straightforward in the long run
Utilising dual record keeping approaches set out under the Lloyds judgment	◀ Methodology ▶	Utilising legislation to equalise for the effects of GMP and to remove its complexity
Simpler immediate member communication	◀ Member experience ▶	Simpler ongoing member communications
Leaves options open in medium to long term	◀ Future de-risking ▶	Leaves schemes well positioned for de-risking activity and securing member benefits with insurers

Positioning the scheme for the future

GMP equalisation provides an opportunity to simplify scheme benefits and at the same time offer members more choice about their pension provision. This can support wider scheme goals such as providing members with increasing flexibility and choice. It also positions the scheme well for future de-risking via the insurance market with more cost-effective benefit structures, cleaner data and simpler administration.

Get started today!

Contact your Willis Towers Watson team to discuss the best way forward.