



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
Capture and calculate post-90 GMPs on both a true and opposite sex basis



Use that data to then re-tranche the benefits and identify which members will be affected positively by the new calculations.



04
Analyse your data



Concentration should then be placed on this population, analysing any flaws held in the data for those members and carrying out remedial actions to mitigate those gaps.



05
Prioritise groups for equalisation



Create principles for prioritising groups of members based on status and circumstances. This will allow you to consider whether it is easier to complete the deferred population first, versus, members who are taking benefits due to ill-health for example.

Once you have run through these preparation steps, decisions can be made on what scheme rules need to be clarified, i.e. whether to take past calculations back 6 years or back to the start of GMP in 1978. How does the forfeiture rulings of the scheme impact this decision?

Those schemes which leave the work to the last minute will inevitably be chancing their luck. This should be thought of as a marathon rather than a sprint.