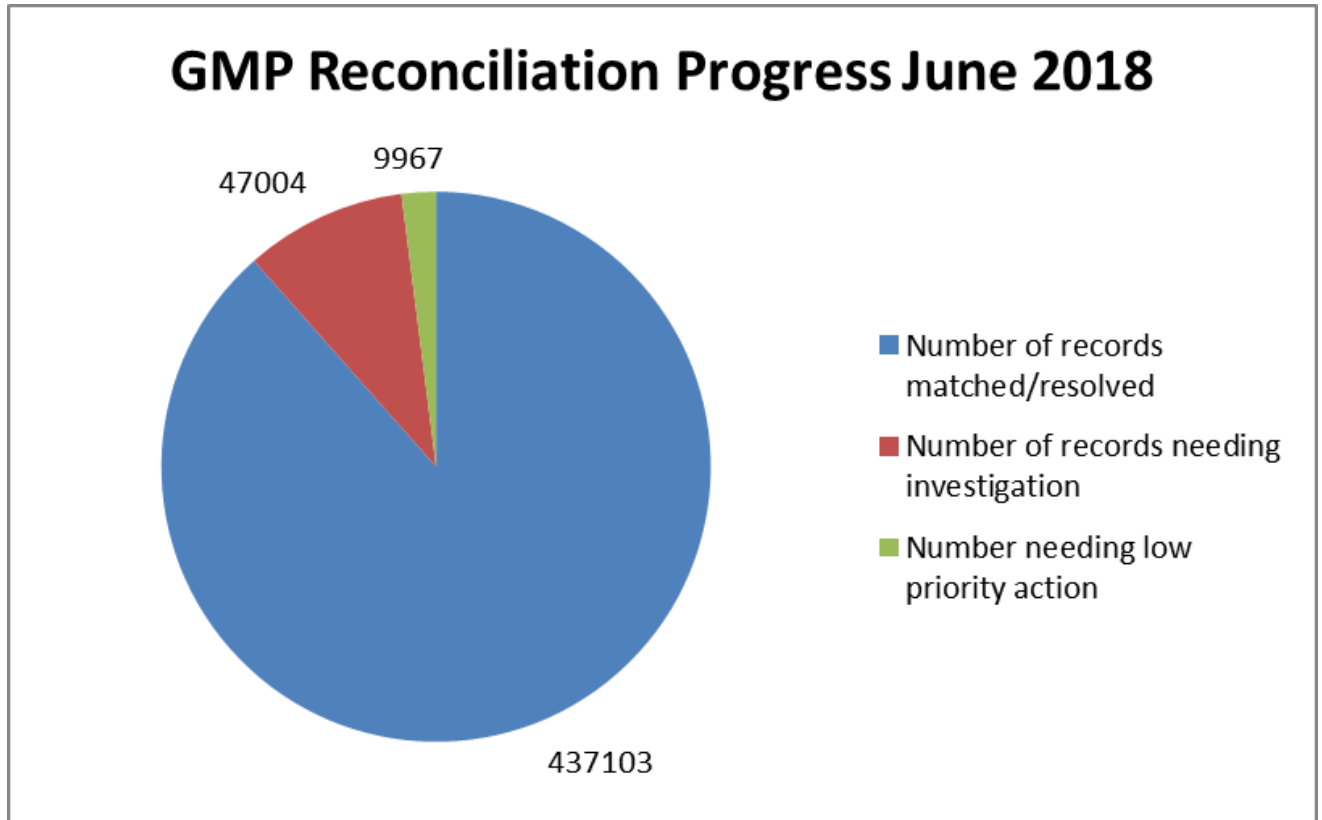


APPENDIX 1

GMP RECONCILIATION – STATISTICS AND PROGRESS ANALYSIS

Phase 1 and 2 – record mismatching

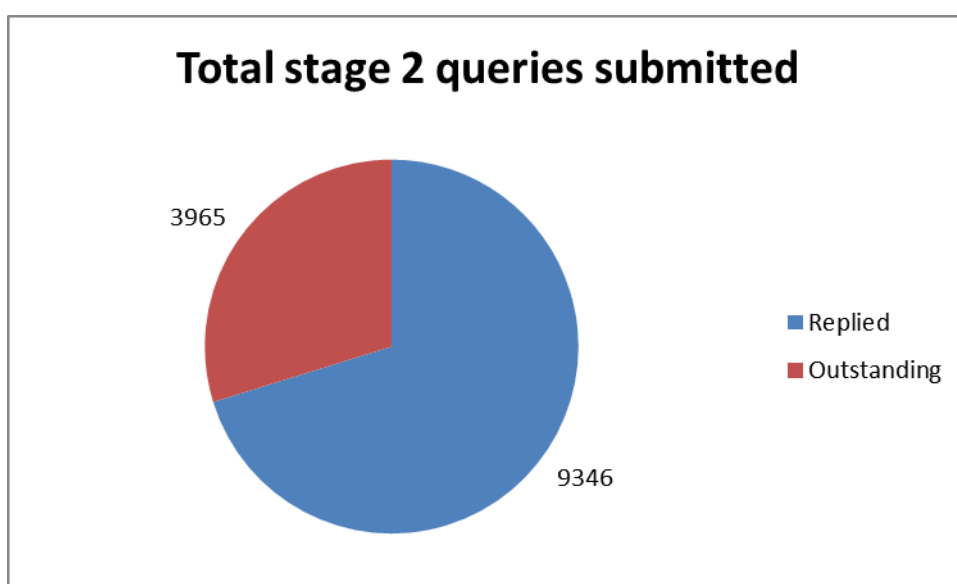
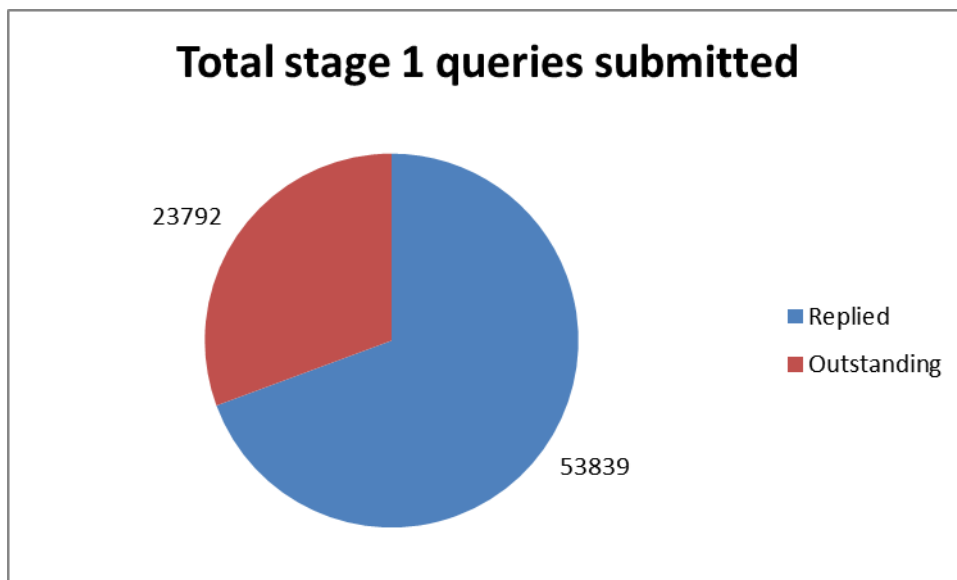
Now that we are several months into phase 2 of the project we are able to demonstrate the progress made so far. The chart below shows the number of records that have been resolved during the project and the number that are still to be investigated or re-calculated.



APPENDIX 1

GMP RECONCILIATION – STATISTICS AND PROGRESS ANALYSIS

During phase 2 of the project we have raised a further 13,311 queries to date. There are still queries which were submitted during phase 1 when have not yet received a reply from HMRC. The first chart below shows queries submitted during phase 1 and the second shows those submitted during phase 2.



APPENDIX 1

GMP RECONCILIATION – STATISTICS AND PROGRESS ANALYSIS

Phase 3 - Record rectification

Part of the GMP reconciliation project is to identify and correct records where either the payments being made to pensioners is incorrect or the payroll elements are incorrect. So far nearly 3000 records have been identified which require this action. As at mid- June, over 1200 have been re-calculated, 952 of which required changes to payroll or payments. 60% were being overpaid, 30% underpaid and 10% had no change to their monthly payments. The average monthly change to payments where there has been an overpayment is £6.77. For underpayments this is £2.69. The table below shows a breakdown of the monthly variance.

Monthly variance (per month)	No of pensioners affected (Underpayment)	No of pensioners affected (Overpayments)
Over £100	0	2
Between £50 and £99	1	16
Between £20 and £49	8	43
Less than £20	279	505

Where an underpayment is identified the arrears due is calculated and paid to the member in addition to any increases to their future pension payments. In total, 118 members have been paid arrears so far. The amount of arrears payments have amounted to just under £75,000.

Potential cost savings

There are also a number of potential cost savings to the Fund of completing this exercise that are difficult to quantify.

We have identified cases where we do not have any pension liability at all (so, no record of the person ever being a member of GMPF) but HMRC believes that we do. Just over 6000 records were identified that fell into this category and we have notified HMRC that we do not have any pension liability for these members.

There are cases where the adjustment means the total pension payable is unchanged but the responsibility for pension increases has changed, thus leading to a potential saving going forward.

There are also cases where members are not yet drawing their pension and therefore correcting incorrect GMP amounts held before a pension is brought into payment also may generate potential savings to the Fund due to eliminating costs incurred in paying incorrect amounts.