

## EAST SUSSEX FIRE AND RESCUE SERVICE

**Meeting** Policy & Resources Panel  
**Date** 25 July 2019  
**Title of Report** GMP Reconciliation – Stalemate Cases  
**By** Duncan Savage, Assistant Director Resources/Treasurer  
**Lead Officer** Judith Sarpong, Pension Adviser

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**Background Papers** None

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**Appendices** 1. GMP Reconciliation Stalemate Cases and Decision Log

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**Implications (please tick ✓ and attach to report)**

<b>CORPORATE RISK</b>		<b>LEGAL</b>	✓
<b>ENVIRONMENTAL</b>		<b>POLICY</b>	
<b>FINANCIAL</b>	✓	<b>POLITICAL</b>	
<b>HEALTH &amp; SAFETY</b>		<b>OTHER (please specify)</b>	
<b>HUMAN RESOURCES</b>		<b>CORE BRIEF</b>	

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**PURPOSE OF REPORT** To seek Panel approval on matters related to the GMP Reconciliation exercise.

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**EXECUTIVE SUMMARY** There is an ongoing national exercise to reconcile pension records held by Her Majesty's Revenue and Customs (HMRC) and individual pension schemes to ensure that guaranteed minimum pensions (GMP) due are being correctly paid. This is known as GMP Reconciliation and is expected to be completed in the autumn of 2019.

JLT / Mercers have been commissioned to carry out this exercise on behalf of the Authority for the Firefighter's Pension Scheme (FPS). They are also carrying out this work on behalf of East Sussex Pension Fund which covers the Authority's Local Government Pension Scheme (LGPS) members.

The GMP reconciliation exercise inevitably brings up some cases that cannot be resolved using the standard GMP reconciliation process and have reached a 'stalemate' in terms of trying to resolve with HMRC (NISPI). Added to this

is the fact that funds are no longer able to issue queries to HMRC to resolve issues.

Therefore the Authority, as the FPS Fund Manager, has to take some pragmatic decisions to enable the GMP reconciliation exercise to reach a conclusion. All decisions are in line with the Pension Administration Standards Association (PASA) guidance dated October 2018 and the advice of JLT / Mercers.

In general terms the recommended resolutions set out in Appendix 1 are based on a position that accepts that the Fund data (held by the Authority and its administrators East Sussex County Council / Orbis) is correct.

In its report (Appendix 1) JLT / Mercers recommend that the Authority consider the potential for additional liabilities falling on the Fund as a result of certain stalemate cases, and have calculated an indicative amount of £208,534.56. Having reviewed this and consulted with both JLT / Mercers and the LGA's National FPS Adviser we have determined that there is no action required in relation to the 2018/19 accounts. This position is based on the following:

- Advice from JLT / Mercers is that mismatches in records are most likely due to errors in HMRC records
- The likelihood of stalemate cases being the subject of successful claims for payment of GMP from FPS is low
- The potential amounts involved are not material
- The cost of any additional GMP is charged to the Pension Account and therefore falls upon the Home Office through the FF Pension Top Up Grant.

The approach set out in this report has been considered by the Service's Senior Leadership Team at its meeting on 16 July 2019.

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**RECOMMENDATION**

That the Panel agree:

1. the recommended resolutions to stalemate cases as set out in Appendix 1;
2. that no provision be made at this stage for the potential additional liabilities identified by JLT / Mercer in Appendix 1; and
3. To delegate responsibility to the Treasurer to sign the GMP Reconciliation Stalemate Log.