

Our ref SGF-2018 P3/19



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Guaranteed Minimum Pension (GMP) Increase Orders

As explained in previous correspondence, special pension increase provisions apply to the Guaranteed Minimum Pension accrued from April 1988 to the date of ceasing to contribute to the PLA Pension Fund.

Legislation requires that a review of the special increase be undertaken in April of each year. The GMP Increase Order for 2019 provides for an increase of 2.4% with effect from 6 April 2019.

Arrangements are being made for the increase to be implemented with the pension payment due at the end of April 2019.

In the case of widows/widowers the increase is based on the Guaranteed Minimum Pension relating to the service of the spouse after April 1988.

GMP Equalisation

Recent case which may affect your benefits

A recent High Court decision, involving Lloyds Bank, may have a small impact on your Scheme benefits.

The decision requires pension schemes to equalise pension benefits between men and women for the unequal effect of Guaranteed Minimum Pensions (GMPs) which were accrued on or after 17 May 1990.

Your benefits include a GMP, some or all of which was accrued on or after this date.

What is a GMP?

GMPs were accrued between 6 April 1978 and 5 April 1997 by those who contracted-out of the State Earnings Related Pension Scheme or SERPS. They were designed to provide a pension at least as good as the statutory minimum.

The method for calculating GMPs is set out in legislation and can result in inequality for a number of reasons, including the fact that GMPs are payable from different ages (65 for men, 60 for women) in line with previous State Pension ages.

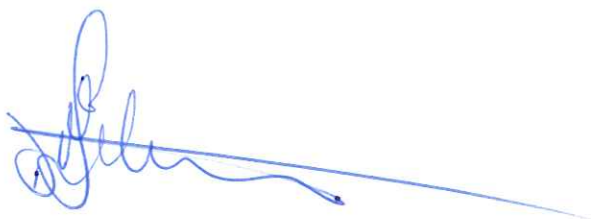
What does this mean for your benefits?

If you are affected your benefits may need to be increased, but please note that any top-up is expected to be relatively small.



The Trustees are currently investigating the impact of the decision for the scheme. The legal position is still uncertain, and it may be many months or even years before the matter is fully resolved.

If an increase to your benefits is necessary, a top-up payment may be payable and we will contact you in future to explain your rights and any options.

A handwritten signature in blue ink, appearing to be 'D Bottacchi', with a long horizontal flourish extending to the right.

D Bottacchi (Miss)
Pensions Manager