



# Guaranteed Minimum Pension (GMP) factsheet

## WHO IS THIS FACTSHEET FOR?

This factsheet is for Shell Contributory Pension Fund (SCPF) members to explain what the GMP is and how it impacts your pension.

## WHAT IS THE GUARANTEED MINIMUM PENSION?

If you were a member of the SCPF between 6 April 1978 and 5 April 1997 you would have been contracted-out of the State Earnings Related Pension Scheme (SERPS) or the Second State Pension (S2P). As a contracted-out scheme, the SCPF had to ensure that members pensions were at least equal to the amount that you would otherwise have received if you had not been contracted-out.

## WHEN IS MY GMP PAYABLE?

Your GMP forms part of your SCPF pension but has no real significance until you reach GMP age. This is currently 65 for men and 60 for women.

It is important to note that the changes to the State Pension age do not apply to the GMP.

## HOW DO I FIND OUT WHAT MY GMP IS?

The State will write to you with confirmation of your GMP when you are near to GMP age. The confirmation from the State will be the total of all your periods of contracting-out employment, so will include any other contracted-out pension schemes you may have been a member of in addition to the SCPF.

The Pension Administration Team also liaises with HMRC to ensure the correct GMP amount is included in your SCPF pension.

## JARGON

### SERPS

Is the State Earnings Related Pension Scheme (between 6 April 1978 and 5 April 2002). Paid in addition to the Basic State Pension.

### S2P

Is the State Second Pension. It replaced SERPS in April 2002 and was paid in addition to the Basic State Pension until 5 April 2016.

S2P was abolished for those reaching state pension age on or after 6 April 2016, when the Single State Pension was introduced.

### Contracting -Out

Up to April 2016 occupational pension schemes could contract-out of the Additional State Pension. Members instead receive a pension from the scheme.

## HOW DOES THE GMP AFFECT INCREASES TO MY SCPF PENSION?

**Up until GMP age**, any pension increases (payable with effect from 1 April each year) are applied to the whole of your SCPF pension, which includes your GMP entitlement. However, once you reach GMP age different rules apply and the SCPF increase will only apply to that part of your pension in excess of the GMP elements.

Your GMP is made up of either one or two elements. The first is in respect of contracted out service from 6 April 1978 to 5 April 1988 (Pre 88 GMP) and the second is for service from 6 April 1988 to 5 April 1997 (Post 88 GMP). Current legislation requires the Pre and Post 88 GMP to be increased differently.

### From GMP age

- The Pre 88 GMP element of your pension will not receive increases (shown on your future payslips as 'GMP Pre 06-04-88').
- The Post 88 GMP element of your pension will receive increases based on the September-to-September Consumer Price Index (CPI) subject to a maximum of 3% (shown on your future payslips as 'GMP Post 06-04-88').
- The SCPF pays any increase due on the Post 88 GMP part of your pension with effect from 1 May each year. The balance of your SCPF pension will continue to be increased based on the Retail Prices Index as at December, capped at 7% for pre 2009 joiners and 5% for post 2009 joiners (payable with effect from 1 April each year).

## I AM RECEIVING A SPOUSE'S PENSION

Widows, widowers and civil partners of SCPF members inherit half of their late spouse's GMP, but in the case of widowers and civil partners only the GMP in respect of contracted out service since April 1988.

## GMP EQUALISATION

The treatment of GMP for men and women has not been equal in the past, this is not unique to the SCPF but happened throughout all UK defined benefit pension schemes in line with legislation. In 2018, the High Court determined that pensions should be adjusted to take account of inequalities in GMPs built up between 17 May 1990 and 5 April 1997.

Members who **do not** have SCPF pensionable service between 17 May 1990 and 5 April 1997 are unaffected by this matter.

## WHEN WILL I KNOW IF I WILL RECEIVE AN ADJUSTMENT TO MY PENSION?

Since the ruling, the pensions industry has been working hard to find the best way to equalise GMPs so it's fair for everyone. The Trustee is working with its legal and actuarial advisers to make the necessary adjustments to scheme benefits to equalise the treatment of men and women but, due to the complexity of the calculations and changes to our systems, this could take several years.

Many members will not see an uplift and for the vast majority of those who are due an uplift, the amount will be very small. If you are due an adjustment to your pension, you will be notified of this and any back payment due will be paid once the calculations have been completed.

## CONTACT DETAILS

If you have any queries about the information in this factsheet, please contact the Pensions Administration Team.

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**Write to:** Pensions Administration Team, Trustee Services Unit, Shell International Limited, Shell Centre, London, SE1 7NA

If you're under State Pension age you can ask HMRC for a State Pension Statement. This statement will tell you when you were contracted-out and the amount of state pension you are entitled to as a result.

To get a State Pension forecast you should visit the following website: [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension)