



## Your consultation guide

# A guide to **ING UK Pension Fund's** (the Fund) proposal for **GMP** equalisation and conversion

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## Why we need to make changes

Since 17 May 1990, following a European Court of Justice ruling, UK pension funds must provide equal benefits for males and females built up from this date.

For a long time, it wasn't certain that this law covered that part of the Fund's benefits known as Guaranteed Minimum Pension (GMP), the calculation of which is set out in legislation and is automatically different for males and females. In 2018 - 2020, this changed when the UK High Court ruled that funds like ours must take action to address any sex-based inequality arising from any GMP earned between 17 May 1990 and 5 April 1997 (when GMPs stopped building up for people).

**The process we need to follow to address this inequality is known as "GMP equalisation".** We're proposing to use a process that's legally permitted, called "GMP conversion", in order to deliver GMP equalisation in the Fund, and take the opportunity to simplify the Fund benefits.

### Consulting with you

Before we proceed with GMP conversion, we must consult with all potentially affected members about our proposals, which includes you. This guide explains what we're proposing, how you may be affected, and how you can share your questions and feedback with us during the consultation period.

You don't have to give feedback on our proposal, and you won't need to take any action if the proposed changes go ahead, unless you need to provide us with information about any pension tax protections you have, as requested on page 6.



## How the changes will work

<p><b>Step 1</b> Equalising past inequality</p>	<p><b>We'll check if you have GMP between 17 May 1990 and 5 April 1997.</b> If you do, we'll work out what your current pension would have been if you were the opposite sex for this period. If you're receiving a dependant's pension, we would look to check your deceased partners' pension. If these checks show that you would've been expected to be better off, we'll adjust your pension to address this – this might also mean you receive a back payment to make up for any past underpayments.</p>
<p><b>Step 2</b> Equalising the future and conversion</p>	<p><b>We then plan to convert all GMP benefits you have in the Fund into non-GMP pension</b> so they would be treated as other parts of your pension and increase in a similar way as now, but with no extra treatment applied if your pension was GMP. If you're under GMP payment age (GPA) (65 for male and 60 for female) and are expected to get a GMP-related pension step-up when you reach GPA, we will instead incorporate this value into your post-conversion benefits and spread that value over time. We propose to convert any GMP you do have as part of this process, even if you don't have any GMP built up between 1990 and 1997 that needs to be equalised.</p> <p>When we do this, and if you've got GMP between 1990 and 1997, we'll check if you would be expected to receive a greater pension in future if you were the opposite sex. If this is the case, it will be allowed for in the conversion in order to meet the GMP equalisation legal ruling.</p>
<p><b>Step 3</b> The outcome</p>	<p><b>If we go ahead with GMP conversion, we'll send you confirmation in advance of how and when your pension will change in a personalised statement.</b> This will set out any back payments you may be due, and details of how your new pension will increase in the future. The new pension will also include any corrections to your pension as part of Step 1 or 2.</p>

## GMP conversion explained

### **There will be no reduction to the current amount of your pension as a result of GMP conversion**

GMP conversion would not reduce the current amount of your pension, and for some members, it could increase it. The proposals may affect the way yours and your dependant's pension increases in the future, although for most members any changes are expected to be relatively small and many members may see no change. For those impacted, the proportion of pension that gets paid to your dependant will generally remain unchanged. However, for a small minority of members, it may increase in order to comply with the requirements of GMP conversion. Other parts of your benefits, including any pension earned after 5 April 1997 will also remain unchanged.

GMP conversion preserves the actuarial value of your entitlement to benefits within the Fund. The value of your benefits entitlement is based on a set of assumptions about future interest rates, inflation and life expectancy.



**The way we work out future increases to your pension may change**

Pensions increase each year to help with some of the effects of inflation (the increase in the cost of living). In line with the Fund rules, different parts of your pension currently increase in slightly different ways, and some parts may not increase at all. Each year, we send you a pension increase letter showing how your pension increases; please see your most recent letter for details.

GMP Conversion means that the parts of your pension that were previously GMP will be split between increasing and non-increasing parts of pension and will increase broadly in line with how these parts increase now. Further details are provided below.

**The impact on your post-conversion pension will be set out in your personalised statement. If conversion goes ahead, we expect this to be issued for most members in the Summer of 2024.**

**However, for some former members of the Charterhouse and BHF sections or members who started receiving their pension recently (since September 2023), the necessary calculations may not be ready due to additional checks we need to carry out and as a result you may receive your statement in 2025.**



### What will change

The table below shows the parts of a typical member's pension in the Fund's Main Section (BPTF). Your own pension may differ (e.g. your pension may attract slightly different increases), but the principles used for GMP conversion will be the same.

If you're a former BHF, Charterhouse or NRG Victory Section member, please see the Appendices for relevant tables. You can also find examples of how the proposed changes can impact sample members above or below GPA. These examples are based on representative members in the Fund and your own pension may differ. There are notes underneath the table explaining the terms used and how some of the increases work.

	Before GMP conversion		After GMP conversion
<b>Your current pre-conversion pension may include the following parts:</b>	<b>Annual increases paid from the Fund</b>	<b>Your post-conversion pension may include the following tranches (parts):</b>	<b>Annual increases paid from the Fund</b>
GMP built up before 6 April 1988	Nil	Tranche 1 pension	Nil
GMP built up after 5 April 1988	CPI (up to a maximum of 3% pa)	Tranche 2 pension	CPI (up to a maximum of 3% pa)
Non-GMP pension built up before 6 April 1997	RPI <sup>1,2</sup>	Tranche 3 pension	RPI <sup>1,2</sup>
Pension built up from 6 April 1997 to 31 March 2000	RPI <sup>1,2</sup>	Pension built up from 6 April 1997 to 31 March 2000	RPI <sup>1,2</sup>
Pension built up from 1 April 2000	RPI <sup>1</sup>	Pension built up from 1 April 2000	RPI <sup>1</sup>

1 In the event RPI exceeds 8% in a year, the increase granted in that year would be 8%. The increase in RPI in addition to the 8% will be carried forward to subsequent years.

2 An additional increase may in some circumstances be due if RPI falls under 3% in a year.

**CPI** – Consumer Price Index (measure of inflation).

**RPI** – Retail Price Index (measure of inflation).

Your pension after conversion will no longer have any 'GMP' parts and legislation relating to GMP will no longer apply. Because of the legal protections that apply to GMP conversion, we may need to rebalance the parts relating to GMP and the Non-GMP pension built up before 6 April 1997 across Tranches 1, 2 and 3, but the overall actuarial value of your benefits won't be reduced.

**The structure and increases for your pension will be slightly different after conversion. Please note your current pension will not reduce as a result of GMP equalisation and conversion, and it could increase.**



### Why we're proposing this approach

GMP conversion is a way of achieving GMP equalisation. We believe converting GMP into non-GMP pension will be simpler and easier to administer in the future. It would also make it easier for members to better understand their benefits moving forward.

The reason why we've selected this approach is because it would remove the need to maintain at least two ongoing pension calculations for every member in retirement who has GMP between 17 May 1990 and 5 April 1997. This would mean the Fund administrators would be doing one calculation for the member, and another calculation showing their hypothetical 1990 - 1997 pension for the opposite sex. The two calculations would require annual maintenance, annual increases and annual checks to ensure both records (one for the member and one for their hypothetical comparator) would receive the same pension irrespective of their sex. This would make administration of the Fund significantly more complex and costly and potentially more difficult for people to understand their benefits.

### What happens next

<b>1 June 2024</b>	<p>Read this booklet to learn about our proposals for GMP equalisation and conversion and send us any comments or questions by 1 June 2024. Comments shared after this will not be included in the next stage of the process.</p> <p>You can find details of how to share your feedback and questions at the end of this guide.</p>
<b>June – July 2024</b>	<p>We'll consider any comments and questions on our proposal to proceed with GMP conversion.</p>
<b>Summer 2024</b>	<p>If the GMP conversion goes ahead, we would prepare personalised statements to confirm your new pension, once the consultation process is complete. Due to the number and complexity of the calculations, this will take a while so please be patient.</p>

### Do you have Lifetime allowance (LTA) protection?

**If so, you MUST share details of your protection with Capita, the Fund Administrator.**

If you currently have LTA protection from HMRC, please let Capita know using the contact details at the end of this guide.

At the March 2023 Budget, the Chancellor announced that LTA tax charges would be abolished from 6 April 2023, with benefits over the LTA taxed as pension going forward (and therefore LTA charges are not currently expected to arise in relation to tax years after this date unless this is changed by a future Government). However, in assessing the effect of any changes to your benefits, (particularly in light of any historic arrears you may be due as part of GMP equalisation), it is the tax rules in force at your retirement date that apply and, therefore, we're still requesting that you inform us of any LTA protections that you may have.



LTA protection is something you would have requested from HMRC yourself. We do not expect that most members will have it, as it protects total pension savings of at least £1 million (equivalent to a total pension of around £50,000 per year), but the consequences of losing the protection are significant.

It is your responsibility to tell us about any protections. If you have an LTA protection and don't let us know, you could be hit with an extra tax charge or lose your protection.

Please let us know as soon as possible and Capita will add this information to your record and would take it into account when calculating any converted pension.

You can check if you have protection and find out how to apply for certain LTA protections online at [gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance](https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance)

## Frequently asked questions

### What's GMP?

A member's Fund pension is generally made up of different elements. One of these elements can be GMP. GMP is the Guaranteed Minimum Pension the Fund had to provide members, who built up some or all of their pension between 6 April 1978 and 5 April 1997. The way GMP must be calculated is set out in legislation and it is automatically different for males and females. One of the reasons being it is payable from a set age (60 for females and 65 for males).

GMP is provided to members who were contracted out of the earnings-related element of the State pension and the State Second Pension, meaning they built up little to no entitlement to this part of the State pension. At the same time both members (during employment) and their employer paid lower National Insurance contributions. In return for this, the Fund had to provide GMP for members, which was intended to be broadly equivalent to the earnings-related State pension they would have received had they not been contracted out for this period.

The legislation that sets out how GMP builds up, when it's paid, and how it increases in payment reflects how the State earnings-related pension worked at the time. Since the State earnings-related pension was unequal for males and females, GMP is also unequal.

GMP forms part of the Fund pension, and so these differences in GMP between males and females can lead to unequal overall pensions for members.

### What's GMP equalisation?

GMP equalisation is the work all UK pension funds like ours have to do to address any inequalities arising from GMPs built up between 17 May 1990 and 5 April 1997 being different for males and females. It equalises benefits earned in the period between 17 May 1990 and 5 April 1997 to correct for the inequalities caused by GMPs.

### What's GMP conversion?

The UK High Court approved two main approaches to correcting for the inequalities caused by GMPs. One way of adjusting your pension to achieve GMP equalisation requires continually checking at least two calculations for 17 May 1990 and 5 April 1997 pension for each member, one reflecting GMP based on the member's own sex and another reflecting GMP for the opposite sex. This will be required for as long as the pension is being paid. This is very complex and expensive.

The second approach, permitted by the UK law and approved by the UK High Court, allows the Trustee, with ING's consent, to make a one-off adjustment to benefits. This is achieved by changing the GMP into a non-GMP benefit within the Fund. This adjustment can account for and remove the



sex-based inequalities as a result of GMP built up between 1990 - 1997. This process is called 'GMP conversion'.

GMP conversion allows us to adjust your pension for GMP equalisation in one go and helps simplify the future administration of the Fund.

The key legal requirements for GMP conversion are that:

- Pensions in payment at the date of GMP conversion cannot decrease.
- The actuarial value of pension payments to be made after the GMP conversion date must be at least the same as before the GMP conversion date (based on assumptions about the future, such as life expectancy, and guidance from our advisers).
- The Fund Trustees must take all reasonable steps to consult with potentially affected members in advance.
- ING gives its consent.
- The Trustees must notify affected members and HMRC before GMP conversion goes ahead.

When your GMP is converted, there may also be a one-time payment of arrears and interest if GMP equalisation means you would've received more pension since retirement had you been of the opposite sex. This would make up for any shortfall in past payments if your 1990 - 1997 pension would have been higher if you were the opposite sex. For most impacted members, the expected payment is unlikely to be a material amount.

If you have any GMP earned before 1990, this would also be converted.

#### **Is it legal to change benefits in this way?**

Yes, the Pension Schemes Act 1993 allows for GMP conversion. The 2018 High Court ruling confirmed that achieving GMP equalisation as part of a GMP conversion exercise is lawful. There are also safeguards in the law to ensure the actuarial value of your pension is preserved, and your pension cannot be reduced below its current amount.

#### **What's ING's view?**

Implementing GMP equalisation via GMP conversion requires consent from ING, and ING has confirmed it supports converting GMP into non-GMP pension.

#### **Could GMP conversion not proceed as proposed?**

Once the consultation window has closed, the Trustees and ING will consider any responses received and decide whether to proceed with GMP conversion. In the event that GMP conversion does not proceed as proposed (either as a result of the consultation or for any other reason), you would be informed of this outcome.

#### **Will my pension change as a result of GMP conversion?**

If you're currently being paid a pension it won't reduce below its current amount and for some members, it may increase slightly. The way the pension receives annual increases each year might be slightly different, and there could be some other changes (outlined earlier in this guide and set out in the examples). Note that there will be an actuarial check to ensure the overall value of your benefits doesn't go down. If relevant, we would also pay you a one-off amount to make up for any shortfall in past payments you would have received if you had been the opposite sex.

We'll send you a personalised statement to confirm your new pension, whether it changes or not.

#### **Will this change how much my pension goes up by every year?**

Yes, your future pension increases could change as a result of GMP conversion. However, most members' total pension is expected to increase at a similar or the same rate each year once in





payment. If you're being paid a pension, the specific details for you'll be included in your personalised statement.

**Will this affect how much tax I pay if I am impacted?**

If your rate of pension in payment goes up, or if you're paid arrears, these would be subject to income tax. It's your responsibility to ensure you pay the right amount of tax and comply with the relevant tax laws applicable to you. We'll provide more details when we provide your personalised statement.

**Are all members affected?**

No. Only members with a GMP element to their pension (whenever that GMP was built up) are affected by GMP conversion, and only those with GMP built up between 17 May 1990 and 5 April 1997 are affected by GMP equalisation. Most members will see little or no overall change to their pension.

**What if I'm receiving a widow's, widower's, civil partner's or dependant's pension?**

We'll look to check your pension in the same way as for pensioners, although the starting point is to reassess how GMP equalisation would have affected the original member's pension, as that is what your own pension is based on. Your pension in payment would then be adjusted if needed, and it will not reduce below its current amount.

If any additional pension or one-off back payments are due, we'll send you a statement to confirm this.

**Why now?**

Like most UK pension arrangements with GMPs that need equalising, we've been considering the approach to GMP equalisation following a series of rulings by the UK High Court in 2018 – 2020.

The process to review and adjust pension benefits is complex, with many factors involved. We've worked hard with professional advice to develop an appropriate approach that is feasible and proportionate for the Fund. We're now sharing our proposal with you as part of the consultation before any final decision is made about whether to proceed with GMP conversion.



## Contact us

Before we take further action, we're providing you with the opportunity to share any feedback you have about our proposals. This consultation period will run from 1 April 2024 until 1 June 2024.

You can share your feedback and questions via Capita:

**Email:** [INGUKPF@capita.com](mailto:INGUKPF@capita.com)

**Address:** ING UK Pension Fund, PO Box 555, Stead House, Darlington, DL1 9YT

Please make sure you have your National Insurance number and your benefit details to hand for security identification purposes.

**You can find free, general pension information online at [moneyhelper.org.uk](https://moneyhelper.org.uk)**

This booklet outlines the main features of the Fund and the proposals for GMP conversion. It's intended for consultation only and is not legally binding. The benefits detailed in this guide are subject to HM Revenue & Customs' rules. The full rules governing the Plan are set out in the Trust Deed and Rules which will always override this guide.

Neither the Trustees of the ING UK Pension Fund nor its advisers are legally able to provide you with financial advice specific to your personal circumstances. Nothing in this document or accompanying materials is intended to be or should be considered financial advice.



## Appendix 1 – What will change for the other sections of the Fund

### Former members of the NRG Victory Section

	Before GMP conversion		After GMP conversion
<b>Your current pre-conversion pension may include the following parts:</b>	<b>Annual increases paid from the Fund</b>	<b>Your post-conversion pension may include the following tranches (parts):</b>	<b>Annual increases paid from the Fund</b>
GMP built up before 6 April 1988	Nil	Tranche 1 pension	Nil
GMP built up after 5 April 1988	CPI (up to a maximum of 3% pa)	Tranche 2 pension	CPI (up to a maximum of 3% pa)
Non-GMP pension built up before 6 April 1997	3%	Tranche 3 pension	3%
Pension built up from 6 April 1997 to 5 April 2005	CPI (with a minimum of 3% pa and a maximum of 5% pa)	Pension built up from 6 April 1997 to 5 April 2005	CPI (with a minimum of 3% pa and a maximum of 5% pa)
Pension built up from 6 April 2005	3%	Pension built up from 6 April 2005	3%

**CPI** – Consumer Price Index (measure of inflation).

**RPI** – Retail Price Index (measure of inflation).

Your pension after conversion will no longer have any 'GMP' parts and legislation relating to GMP will no longer apply. Because of the legal protections that apply to GMP conversion, we may need to rebalance the parts relating to GMP and the Non-GMP pension built up before 6 April 1997 across Tranches 1, 2 and 3, but the overall actuarial value of your benefits won't be reduced.

**The structure and increases for your pension would be slightly different after conversion. Please note that your current pension would not reduce as a result of GMP equalisation and conversion, and it could increase.**

**Former members of the Charterhouse Section**

	Before GMP conversion		After GMP conversion
<b>Your current pre-conversion pension may include the following parts:</b>	<b>Annual increases paid from the Fund</b>	<b>Your post-conversion pension may include the following tranches (parts):</b>	<b>Annual increases paid from the Fund</b>
GMP built up before 6 April 1988	Nil	Tranche 1 pension	Nil
GMP built up after 5 April 1988	CPI (up to a maximum of 3% pa)	Tranche 2 pension	CPI (up to a maximum of 3% pa)
Non-GMP pension built up before 1 January 1997	Nil	Tranche 3 pension	Nil
Pension built up from 1 January 1997 to 5 April 1997	RPI (with a minimum of 3% pa and a maximum of 5% pa)	Pension built up from 1 January 1997 to 5 April 1997	RPI (with a minimum of 3% pa and a maximum of 5% pa)
Pension built up from 6 April 1997	RPI (with a minimum of 3% pa and a maximum of 5% pa)	Pension built up from 6 April 1997	RPI (with a minimum of 3% pa and a maximum of 5% pa)

**CPI** – Consumer Price Index (measure of inflation).

**RPI** – Retail Price Index (measure of inflation).

Your pension after conversion will no longer have any 'GMP' parts and legislation relating to GMP will no longer apply. Because of the legal protections that apply to GMP conversion, we may need to rebalance the parts relating to GMP and the Non-GMP pension built up before 6 April 1997 across Tranches 1, 2 and 3, but the overall actuarial value of your benefits won't be reduced.

**The structure and increases for your pension would be slightly different after conversion. Please note that your current pension would not reduce as a result of GMP equalisation and conversion, and it could increase.**



**Former members of the BHF Section**

	Before GMP conversion		After GMP conversion
<b>Your current pre-conversion pension may include the following parts:</b>	<b>Annual increases paid from the Fund</b>	<b>Your post-conversion pension may include the following tranches (parts):</b>	<b>Annual increases paid from the Fund</b>
GMP built up before 6 April 1988	Nil	Tranche 1 pension	Nil
GMP built up after 5 April 1988	CPI (up to a maximum of 3% pa)	Tranche 2 pension	CPI (up to a maximum of 3% pa)
Non-GMP pension built up before 6 April 1997	Nil or RPI (up to a maximum of 5% pa) depending on membership category	Tranche 3 pension	Nil or RPI (up to a maximum of 5% pa) depending on membership category
Pension built up from 6 April 1997	RPI (with a maximum of 5% pa)	Pension built up from 6 April 1997	RPI (with a maximum of 5% pa)

**CPI** – Consumer Price Index (measure of inflation).

**RPI** – Retail Price Index (measure of inflation).

Your pension after conversion will no longer have any 'GMP' parts and legislation relating to GMP will no longer apply. Because of the legal protections that apply to GMP conversion, we may need to rebalance the parts relating to GMP and the Non-GMP pension built up before 6 April 1997 across Tranches 1, 2 and 3, but the overall actuarial value of your benefits won't be reduced.

**The structure and increases for your pension would be slightly different after conversion. Please note that your current pension would not reduce as a result of GMP equalisation and conversion, and it could increase.**

## Appendix 2 – Example of member impact

### Example 1: Male Main Section member, aged 68 (over GPA)

	Before GMP conversion		After GMP conversion
The current pre-conversion pension is made up of:	The annual pension and annual increases as at 30 September 2024	The post-conversion pension would be made up of:	The future annual pension and annual increases from 30 September 2024
GMP built up before 6 April 1988	£500 No increases	Tranche 1 pension	£500 No increases
GMP built up after 5 April 1988	£500 Increasing by CPI (up to a maximum of 3%) each year	Tranche 2 pension	£440 Increasing by CPI (up to a maximum of 3%) each year
Non-GMP pension built up before 6 April 1997	£4,000 Increasing by RPI <sup>1,2</sup> each year	Tranche 3 pension	£4,060 Increasing by RPI <sup>1,2</sup> each year
Pension built up from 6 April 1997 to 31 March 2000	£1,000 Increasing by RPI <sup>1,2</sup> each year	Pension built up from 6 April 1997 to 31 March 2000	£1,000 Increasing by RPI <sup>1,2</sup> each year
Pension built up from 1 April 2000	£500 Increasing by RPI <sup>1</sup> each year	Pension built up from 1 April 2000	£500 Increasing by RPI <sup>1</sup> each year
<b>Total annual pension</b>	<b>£6,500</b>	<b>Total annual pension</b>	<b>£6,500</b>

1 In the event RPI exceeds 8% in a year, the increase granted in that year would be 8%. The increase in addition to the 8% will be carried forward to subsequent years.

2 An additional increase may be due if RPI falls under 3% in a year in certain circumstances

#### Note on pension payable to this sample member's eligible dependant:

- **Before GMP conversion**, the pension payable to an eligible dependant on the member's death was 2/3<sup>rd</sup> of the member's pension i.e. £4,333. £250 of this pension would receive no increases (which is 50% of the member's GMP), £250 of this would receive increases in line with CPI (up to a maximum of 3% pa) (which is 50% of the member's post 5 April 1988 GMP) and the rest would increase with RPI.
- **After GMP conversion**, the pension payable to an eligible dependant will remain 2/3<sup>rd</sup>s of the member's pension i.e. £4,333 but, it will be split evenly across all tranches.

### Example 2: Male Main Section member, aged 60 (under GPA)

This member has not yet reached GPA – GMP Payment Age, which means both their pre 6 April 1988 and post 5 April 1988 GMP pension are not yet in payment. Before conversion this would've become payable when the member reaches 65, triggering other changes to their pension benefits. Note in this example, the member also has a small step-up in their pension resulting from these changes.

Conversion, simplifies the pension structure and re-arranges the different tranches of pension to ensure these changes take immediate effect, while maintaining the member's pension value.

	Before GMP conversion		After GMP conversion
The current pre-conversion pension is made up of:	The annual pension and annual increases as at 30 September 2024	The post-conversion pension would be made up of:	The future annual pension and annual increases from 30 September 2024
GMP built up before 6 April 1988	Nil No increases	Tranche 1 pension	Nil No increases
GMP built up after 5 April 1988	Nil Increasing by CPI (up to a maximum of 3%) each year	Tranche 2 pension	£74 Increasing by CPI (up to a maximum of 3%) each year
Non-GMP pension built up before 6 April 1997	£1,100 Increasing by RPI <sup>1,2</sup> each year	Tranche 3 pension	£1,076 Increasing by RPI <sup>1,2</sup> each year
Pension built up from 6 April 1997 to 31 March 2000	£900 Increasing by RPI <sup>1,2</sup> each year	Pension built up from 6 April 1997 to 31 March 2000	£900 Increasing by RPI <sup>1,2</sup> each year
Pension built up from 1 April 2000	£3,000 Increasing by RPI <sup>1</sup> each year	Pension built up from 1 April 2000	£3,000 Increasing by RPI <sup>1</sup> each year
<b>Total annual pension</b>	<b>£5,000</b>	<b>Total annual pension</b>	<b>£5,050</b>

1 In the event RPI exceeds 8% in a year, the increase granted in that year would be 8%. The increase in addition to the 8% will be carried forward to subsequent years.

2 An additional increase may be due if RPI falls under 3% in a year in certain circumstances.

#### Note on pension payable to this sample member's eligible dependant:

- **Before GMP conversion**, the pension payable to an eligible dependant upon this member's death was 2/3<sup>rd</sup> of the member's pension i.e. £3,333. Upon their death, the administrators would need to establish the level of GMP, and determine 50% of that amount to pay to the dependant and increase this as per the increases set out above. The rest of the dependant's pension would increase at RPI.
- **After GMP conversion**, the pension payable to an eligible dependant in will remain as 2/3rds of the member's pension i.e. £3,367 but, it will be split evenly across all tranches.