

## **Announcement – GMP Equalisation**

The High Court ruled in October 2018 that pension funds are required to equalise pension benefits to allow for the way the Guaranteed Minimum Pension (GMP) is different between male and female members of defined benefit schemes such as the MRC Pension Scheme.

The GMP element relates to the part of the pension when a member was contracted-out of the State Earnings Related Pension Scheme (SERPS) in order to ensure that the benefits being built up were higher than the SERPS pension that was being given up as a consequence of paying a lower rate of National Insurance contributions.

All public sector and most private sector defined benefit pension schemes operated in this way.

The Court has provided some guidance on the method that can be used to adjust pension benefits where there are differences. This would apply only to pensions earned between 17 May 1990 and 5 April 1997, when GMP benefits ceased to build up in defined benefit schemes.

The Trustees will take legal and actuarial advice on how to deal with the High Court ruling. This will take time as it will be necessary to wait for any appeal of the judgement before implementing any changes to benefits.

The Trustees are currently undertaking a separate exercise to reconcile GMP records against those held by HMRC. This will help identify which members' benefits need to be uplifted, if any. This exercise is expected to be completed in 2019.

Further information about equalisation of GMP benefits will be provided as and when the legal position becomes clearer.

In the meantime, the Scheme Administrator, JLT, will operate on a business as usual basis and continue to pay benefits, provide retirement quotations and annual benefit statements to active members in line with current Scheme Rules.

**Jim Clerkin**  
**Director of Group Pensions**  
**MRC\***

**\* MRC is part of UK Research and Innovation**

**November 2018**