

Frequently asked questions

What work have you been doing?

We have been checking our Guaranteed Minimum Pension (GMP) records against the records HM Revenue & Customs (HMRC) holds.

We worked with HMRC to:

- identify any records we held which did not match; and
- calculate the correct amount of GMP.

This process is known as '**GMP reconciliation**'.

Then, where necessary, we adjusted GMPs to match the records. This could have meant an increase or decrease to your pension. This is known as '**GMP rectification**'. Please visit our website at gskpensions.co.uk to find out more about this.

We also had to make sure pension benefits were equal for men and women. They might not have been for historical reasons involving GMP. This is known as '**GMP equalisation**'. Benefits can only be equalised up, not down – so this could have meant a small increase to your pension. Please visit our website at gskpensions.co.uk for more information about equalisation.

Please note that we are carrying out GMP equalisation at different times for different pension schemes.

Pensions in the GSK Pension Fund and the SmithKline Beecham Pension Plan have undergone GMP equalisation. The statement members received from us includes any adjustments made as a result of GMP equalisation.

Pensions in the SmithKline Beecham Senior Executive Pension Plan (SBSEPP) have not yet undergone GMP equalisation. Once the work is complete, we will write to any members of the SBSEPP whose pensions will change as a result of GMP equalisation.

Most changes to our members' pensions are likely to be small.

Why is this happening?

In common with many other UK pension schemes, we have been checking our records for GMP to make sure we have the right GMP amount on record for you.

This work happens in three parts, as described above:

- GMP reconciliation
- GMP rectification
- GMP equalisation

The need to carry out GMP equalisation arose after a High Court ruling in 2018 stated that all pension schemes with GMP must equalise pension benefits for men and women between 17 May 1990 and 5 April 1997, when GMP stopped building up*. You can read lots more about the High Court ruling on our website at gskpensions.co.uk

* The GSK Pension Fund was contracted in on and from 1 November 1996, so members of the GSK Pension Fund stopped building up GMP on 31 October 1996.

What is the Trustee's involvement?

As your pension Trustee, we are legally obliged to ensure you receive the pension you are entitled to. This includes GMP. It is the Trustee's responsibility to ensure that GMP equalisation is carried out.

What is the Company's role?

As the sponsoring employer, the Company is responsible for paying money into the pension schemes to cover the cost of providing benefits. This includes any GMPs that have been underpaid.

We and the Company have taken technical and legal advice.

Why have I received more than one letter about GMPs?

If you have more than one period of service with GSK, it's likely that you have a tranche of pension for each period of service. If this applies to you, and one or more tranches of your pension are impacted by our work on GMPs, you'll receive a letter and statement for each period of service. Because we're carrying out our work in stages, you might receive these at different times.

Also, if you are a dependant of a GSK Plan member who has died, you might receive two letters from us – one regarding your own dependant's pension, and one regarding the original member's pension. See '**What about members who have died?**' for more information.

Why have some members not received a letter about GMPs?

We have only contacted members whose pensions are changing because of our work on GMPs. If you haven't heard from us, you can assume that your pension does not need adjusting.

How could this affect my tax position?

Income tax

If a GMP adjustment means your pension income is higher in the future, you could pay more income tax each year. If it means your future pension income is lower, you could pay less tax.

If you receive a back payment that increases your income in one tax year, you could pay more income tax in that year. Receiving a back payment could also push you into a higher tax bracket, depending on your other income for that year.

If our records say this is likely to affect you, we have enclosed a leaflet with more information titled "Pensions and tax: Income tax". If you haven't received a copy of this leaflet, you can see it on our website at gskpensions.co.uk

Pension tax

Although the lifetime allowance tax charge was removed from 6 April 2023, and the lifetime allowance is due to be removed completely from 6 April 2024, a GMP adjustment that increases your pension could mean your pension uses up more of the **lifetime allowance** that was applicable to you at the time you retired, and you might have to pay an extra tax charge. (This allowance is for the total value of pension benefits you can build up in your lifetime without incurring an extra tax charge.) And if you have lifetime allowance protection, in some cases you could lose it.

If our records say this is likely to affect you, we have enclosed a leaflet with more information titled "Pensions and tax: The lifetime allowance". If you haven't received a copy of this leaflet, you can see it on our website at gskpensions.co.uk

I will pay more tax because of the adjustment to my pension. Can I refuse to take it?

It's not possible to refuse to take the back payment or adjusted pension because the Trustee is legally obliged to pay you the correct amount of pension. You may wish to consider seeking independent financial advice to explore the tax implications of our work on GMPs.

If my pension amount changes, when will I start to receive my new pension?

Your statement will tell you when your new pension amount will start to be paid.

Do I have to take the adjusted pension? Can I keep my old pension?

It is not possible to keep your old pension amount. We are legally obliged to pay you the amount of pension you are entitled to – no more, no less. If you have enhanced lifetime allowance protection, in some circumstances, your increase or back payment may cause you to lose your protection. If you think this may apply to you please contact the Plan administrator.

What if my details are incorrect?

If, after reading your statement, you think we have got some of your personal details (for example, your name, address, date of birth or current pension amount) wrong, please get in touch with us as soon as possible so that we can update our records. You can find our contact details on the letter we sent to you.

What about members who have died?

We are carrying out GMP reconciliation, rectification and equalisation on deceased members' pensions too. We won't reclaim any overpayments. If we find a deceased member's pension has been underpaid, there may be a back payment due.

If the deceased member has a living dependant who is currently receiving, or has previously received, a dependant's pension from us, that person will receive any back payment due. Therefore, if you are a dependant of a GSK Plan member who has died, you might receive two statements from us – one regarding your own dependant's pension, and one regarding the original member's pension.

If you receive a letter regarding the original member's back payment, and you believe you are not the right person to whom this money should be paid, please contact the Plan administrator. Their details can be found on your letter.

Where we hold information about the estate of any deceased members who don't have a living dependant we will contact the estate to arrange for the back payment to be paid. If the estate executor of a deceased GSK Plan member believes a back payment may be owed to the estate and they have not received a letter from us, they should contact the Plan administrator.