



Department
for Work &
Pensions

Parliamentary Under
Secretary of State for Work
and Pensions (Lords)
4th Floor
Caxton House
Tothill Street
LONDON
SW1H 9DA

0207 340 4000

www.gov.uk/dwp

House of Lords

5 March 2024

Dear Maeve

Thank you for your contribution to the debate on the Guaranteed Minimum Pension (GMP) Increase Order. I committed to writing to you in response to your points raised on the recommendations from the Parliamentary and Health Service Ombudsman (PHSO) about the communication of GMP changes.

You referred to a letter, published on 10 January 2024, to the Work and Pensions Select Committee in which the Minister for Pensions provided an update on the correspondence received to the department following the publication of the GMP factsheet. You asked how the figures would be updated in the future. The most up to date figures are below:

Of the 50 cases raised:

- 32 people would not have seen full price protection of their GMP because of the rules of the pre-2016 additional State Pension.
- 32 people gained or had the potential to gain new State Pension Qualifying Years under the transitional rules of the new State Pension
- 11 people had GMPs accrued in public sector schemes - Public sector pension schemes have directly uprated GMPs of members who reached State Pension age from 6 April 2016.
- 21 people benefitted from other rules linked to the transitional rules.

GMPs covered people who were in contracted out employment between 1978/79 and 1996/97. Many people will have had spells of contracted in and contracted out employment during this period, or multiple spells of contracted out employment in schemes with different rules. For these reasons many people will fit into more than one category above.

We will continue to update the Select Committee on this work at their request and would also be happy to update Members of Parliament and Peers upon request.

You also asked about number of people who have made compensation claims. The Department has had one claim and payment of £250 was made in that case which we consider to be in line with the Ombudsman's view on compensation.

This is a complex issue, many people lose out on indexation because of the rules of the old scheme. On the other hand, in most cases people benefit from the transitional rules of the new State Pension. Taking the factors together and the fact that the triple lock has changed pension outcomes significantly, further action to promote awareness of the factsheet would be disproportionate based on the correspondence we have seen so far.

That said I would encourage anyone who is concerned about their position to view the factsheet which can be found at the following link.
Guaranteed Minimum Pension (GMP) and the effect of the new State Pension - GOV.UK (www.gov.uk)

I will place a copy of this letter in the Library.

*With best wishes,
James*

**VISCOUNT YOUNGER OF LECKIE
PARLIAMENTARY UNDER SECRETARY OF STATE
(MINISTER FOR LORDS)**