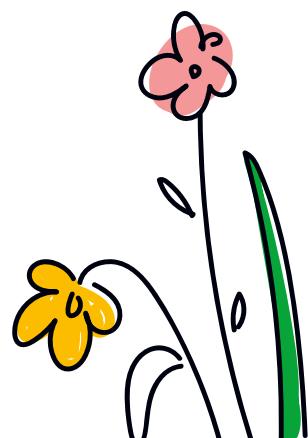


MAKING THINGS SIMPLER

With the 1967 Section of the
Morrisons Retirement Saver Plan



Understanding Guaranteed Minimum Pension (GMP)



What is Guaranteed Minimum Pension (GMP)?

Your 1967 Section pension is made up of different parts, which is based on when you built up your pension (or when the member built up their pension, if you are a dependent).

The Guaranteed Minimum Pension (GMP) is one part. GMP was earned between 6 April 1978 and 5 April 1997, so if you were building up pension in the 1967 Section in this time, some of it will be GMP.

Why are GMPs not equal?

State Pensions used to be calculated differently for men and women, and they were paid from different ages – 60 for women and 65 for men. GMP was meant to replace part of the State Pension and reflected these differences from the start.

What is GMP equalisation?

The GMP equalisation is to make sure that men and women get equal pension benefits for the same work – even though old GMP rules treated them differently.

How does GMP equalisation work?

The Trustee has reviewed benefits that members built up between 17 May 1990 and 5 April 1997. These have now been corrected so that men and women are treated the same.

We've run calculations to check whether members would have received more if they were the opposite sex. If the benefits would have been greater, we have increased member's benefits. If a member has lost out in the past, they will receive a one-off payment.

What is GMP reconciliation?

GMP reconciliation is the process we legally must do to review the GMP we hold on our records against what is held by HMRC. If the records differ, we've investigated this and updated our records.

Are my state benefits affected?

The change to your pension will not affect your State Pension but may impact other state benefits you receive. To ensure the correct benefits are paid to you, contact HMRC and let them know of this change.



Will I be taxed on the one-off payment?

If you receive a one-off payment for extra pension that you should have received in the past, the payment (not including any interest) is taxed in the same way as tax is deducted from your pension.

If you live outside of the UK, we are also required to deduct tax from the interest on the one-off payment. When you receive your payment, tax will have already been deducted.

If you live in the UK, no tax will be deducted from the interest payment when you receive it. You will have to include the interest payment in your self-assessment tax return for the tax year that you receive it.

What if I am placed into a higher tax bracket?

If you are placed into a higher tax bracket because of the payment of the lump sum, you'll need to contact HMRC about this. It is our understanding that you're entitled to spread out the payment you have received across the years in which the pension should have been paid. HMRC should then re-calculate your income tax for all relevant years. HMRC will then decide if you are due any tax back. Neither the Trustee nor Aptia are able to provide you with tax advice.

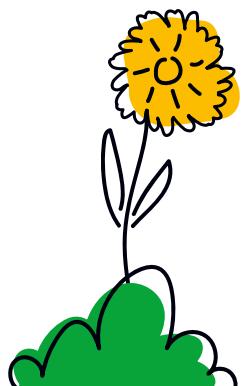
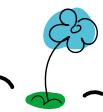
How can I contact HMRC?



You can find details on the HMRC website, along with contact phone numbers for reporting a change at www.gov.uk/report-benefits-change-circumstances

You can find more information on HMRC's website www.gov.uk/self-assessment-tax-returns or you can call them on **0330 200 3310**.

If you speak to HMRC, you'll need to provide some personal information including your National Insurance number.



How will the increase in my pension affect my lifetime allowance?

In the Spring Budget 2023, the lifetime allowance was abolished. However, because this payment relates to past pension payments, you'll still need to consider whether the increase to your pension may result in exceeding the lifetime allowance.

You can read more about previous lifetime allowance rates on the government's website:

www.gov.uk/government/publications/rates-and-allowances-pension-schemes/pension-schemes-rates

If you think you may exceed the lifetime allowance or would like more information, please contact Aptia.

Will the changes impact my death benefits?

As your pension is now greater than it was, this may also increase the amount payable from the Plan in the event of your death. This is not applicable if you are receiving a dependant's pension.

Who can I contact if I have any questions?

If you have any questions please contact Aptia:

📞 0345 450 6564

🖱️ pensionuk.aptia-group.com

Where can I go for advice?

The Trustee and their advisers can't give you financial or tax advice. If you need help with these things you may wish to get independent financial advice.

You can check that a financial adviser is registered on the Financial Conduct Authority (FCA) website.

🖱️ www.fca.org.uk/firms/financial-services-register

