Public Service Pensions: GMP indexation consultation:
Proposal to extend full indexation

October 2020
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Chapter 1
Summary

Box 1.A: Glossary of terms

Contracting out: Employers which offered defined benefit occupational pension schemes could “contract-out” their employees from the Additional State Pension (AP), as long as the scheme provided a Guaranteed Minimum Pension (GMP). In doing this, the employees effectively gave up their right to most elements of the AP. In return, both the employee and employer paid reduced National Insurance contributions. However, a contracted-out member still had an entitlement to receive indexation of their AP as part of their State Pension, to the extent that the indexed AP was equal to or greater than their GMP (allowing for indexation up to 3% payable by the scheme on any GMP earned between 1988-1997).

Conversion: In the case of Public Service Pension Schemes, conversion would see the GMP converted into a scheme benefit, usually equating £1 of scheme benefit for every £1 of GMP. This method has a similar outcome to full indexation, but public service schemes would no longer need to apply GMP legislation for members whose GMPs have been converted.

Equalisation: Pensions accrued in respect of pensionable service rendered after 16 May 1990 have to be equal regardless of sex. However, GMPs give rise to inequalities between men and women for a number of reasons, including different GMP ages and accrual rates for men and women. Under the old State Pension system, public service pensions and the AP operated together to provide a mechanism that equalised public service pension payments.

Full indexation (interim solution): This is the current policy in place (interim solution), which requires public service pension schemes to directly meet the cost of indexing the GMP for most members who reach State Pension age (SPa) after 5 April 2016, but not for those reaching SPa after 5 April 2021. This also reduces the likelihood of inequalities being introduced between men and women by the abolition of the AP. Full indexation ensures that no individual is worse off as a result of no longer in effect receiving indexation on their GMP through the AP. Indexation of the total public service pension, including any GMP, is provided for in the combined effect of the GMP

1 Although most pensioners who reach state pensionable age on or after 5 April 2016 will not receive additional pension, there are a few exceptions: widowed mother’s allowance, widowed parent’s allowance and widow’s pension.
Increase Orders (made by DWP), the Pensions Increase (Review) Orders (made by HM Treasury) and the Treasury Direction under Section 59A of the Social Security Pensions Act 1975.

Full indexation also applies to the benefits of survivors, ensuring that they receive full increases on their inherited GMP.

**Indexation:** In this particular context, indexation means adjusting pension payments by reference to a prices index, to maintain purchasing power after inflation.

### Background

1.2 The government is responsible for the policy on the indexation of public service pensions and for how such pension schemes are provided.

1.3 On 6 April 2016 the government introduced the new State Pension (nSP) for almost all people reaching their State Pension age from that date onwards. For these people this removed the State Second Pension, including the earnings-related Additional State Pension (AP) (provided to those who were in employment and earning above certain minimum levels during the period 6 April 1978 to 5 April 1997). Those public servants who were “contracted-out” during that period accrued a Guaranteed Minimum Pension (GMP) from their public service pension scheme but still had an entitlement to part of the AP, which was also the mechanism which in effect provided price indexation (a key element of all public service pensions) for their GMP.

1.4 Previously, public service pensions and the AP system worked together to provide a mechanism that fully indexed and equalised2 most public service pension payments, in line with commitments made to members by previous governments3. However, the removal of the AP meant that public service pension scheme members who reached their State Pension age (SPa) from 6 April 2016 onwards would not have their pension payments fully indexed and equalised. An estimated 2 million members of public service schemes with GMPs who would reach their SPa up until 2040 might have been affected.

1.5 On 1 March 2016, the government introduced an interim solution, full indexation, to ensure that those public service pensioners who reached SPa after 5 April 2016 and before 6 December 20184 had the GMPs they had earned in public service fully indexed by their public service pension

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2 In Barber v Guardian Royal Exchange the European Court of Justice found that occupational pensions are deferred pay, and so pension payments between men and women must be equal. Section 67 of the Equalities Act 2010 gives effect to this at the domestic level. Those legal requirements relating to the terms on which members of an occupational pension scheme are treated do not apply in respect of pensionable service before 17 May 1990.

3 As a result of the commitments given by previous governments since the time GMPs were first planned and which were reflected in legislation such as the Social Security Pensions Act (SSPA) 1975 (as amended), public servants have a right to full indexation of their public service pensions, including the GMP element.

4 6 December 2018 was the date from which all people born on the same date would have the same State Pension age, regardless of gender.
scheme. This eased the transition to the nSP for a group who would have been likely to lose out and also ensured that the great majority of men and women reaching SPa in that period would continue to receive equal pension payments. However, there remains a small number of members whose benefits are not equal after full indexation.

1.6 Between November 2016 and February 2017, the government consulted on a long-term solution to GMP indexation and equalisation. The consultation considered three methodologies, including full indexation and conversion. Under conversion, a public servant’s GMP is converted into a normal scheme benefit, usually on a £1:£1 basis, which would mean that the GMP would no longer exist. On 22 January 2018, the government published its response to the consultation and announced the extension of full indexation, so that public service pensioners who reach their SPa on or before 5 April 2021 (or reach their GMP age) also have their GMPs fully indexed by their public service pension scheme.

1.7 As part of its response, the government also said that it would review the rationale for implementing the alternative methodology of conversion as a long-term solution and its feasibility before April 2021. It agreed that HM Treasury (HMT) would consult with other government departments and public service pension schemes to decide whether a suitable conversion methodology and legislation could be brought forward to enable conversion to take place in the future. In addition, the government agreed to take account of any feasible alternative solutions that might meet indexation and equalisation requirements.

Purpose of the consultation

1.8 As full indexation was extended to those public service pensioners with GMPs earned in public service who reach SPa on or before 5 April 2021, this further consultation is primarily concerned with those public servants who will reach SPa after 5 April 2021.

1.9 The consultation is primarily targeted at public service pension schemes, but the government is aware that its decision will also affect some other pension schemes, including a few in the private sector, which index some or all pension payments in line with the government’s arrangements for indexing public service pensions. However, the government is not responsible for the rules of such private sector schemes and they can, for example, convert accrued GMP benefits into normal scheme benefits without the government’s consent.

1.10 Since the government last consulted on this matter, it has worked with public service pension schemes and scheme administrators to undertake a more in-depth investigation into the implications of adopting conversion as a long-term solution. This includes an assessment of any technical issues that would arise. In particular, there are outstanding questions around how to convert those cases where full indexation does not achieve equalisation and consequently conversion on a £1:£1 basis would also not achieve

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5 Annex A provides an illustration of this small number of cases.

6 5 April 2021 is the GMP uprating date and allowed for consideration of possible GMP conversion.
equalisation. Typically, this is due to the GMP being relatively large compared to the rest of the member’s pension, meaning that the total amount of pension at retirement is affected by the GMP, rather than the GMP only affecting future pension increases. Although this affects only a small number of public service pension scheme members, it needs careful consideration and potentially requires complex solutions.

1.11 Currently, scheme administrators are undertaking a large volume of work, including work that is required to meet the pensions remedy work in response to the McCloud judgment, as well as other court rulings. This high volume and intensity of work will continue for some time. After consultation with public service pension schemes and their administrators, the government does not believe it would be feasible to implement conversion before the current interim solution period ends in April 2021. Indeed, given the volume of work currently being undertaken by schemes, it is unlikely that conversion could be implemented until April 2024 at the earliest.

1.12 The most complex aspect of administering GMPs materialises when the GMP first comes into payment and, for public service pensioners with a SPa after 5 April 2016, any GMP related to that service is indexed once it comes into payment. There is a steadily diminishing number of public servants with a GMP who are yet to reach SPa, as no further GMPs were accrued after 5 April 1997. A further extension of the interim solution significantly reduces or even removes the benefits of implementing conversion.

1.13 In light of the above, this consultation considers:

- Whether the government should discount conversion as a long-term policy solution and make the interim solution, of full indexation, permanent;

- If not, how long the government should extend full indexation for before reconsidering conversion or a feasible alternative solution in the future.

1.14 The government is conducting this consultation with an open mind regarding the key questions set out above. However, on the basis of the evidence currently available, public service pension schemes’ preferred policy option would be to make full indexation the permanent solution.

Options available

1.15 This consultation is focused on the options available to ensure that the government continues to meet past commitments made to public service employees regarding the full indexation of public service pensions, including any GMP element related to membership of a public service pension scheme.

1.16 The options are:

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7 Refer to Annex A.

8 The Government received a claim against the Teachers’ Pension Scheme (TPS) alleging direct sexual orientation against the Government’s survivor benefits policy. Following this, the challenge was conceded and the affected schemes will make the necessary changes to address the discrimination - https://questions-statements.parliament.uk/written-statements/detail/2020-07-20/3978
• **Option 1a:** The extension of full indexation to cover those reaching SPa up to and including 5 April 2024.

1.17 Further work is needed to understand how to equalise those GMP cases where conversion on a £1:£1 basis does not achieve equalisation. In addition, public service pension schemes are currently delivering a large programme of work and would be unable to deliver conversion until April 2024 at the earliest. An extension of full indexation until April 2024 would allow time for government departments and scheme administrators to complete their existing programmes of work, reconsider conversion as a long-term policy solution, and implement conversion for members reaching SPa after 5 April 2024, should conversion be the chosen long-term solution.

• **Option 1b:** The extension of the interim solution to cover those reaching SPa beyond 5 April 2024.

1.18 An extension beyond April 2024, for example to March 2030, would do much the same as Option 1a, however it would have the additional benefit of also providing schemes with capacity to address any unforeseen pressures arising between now and 2024.

1.19 Under this option, full GMP indexation would not continue indefinitely for all members and any extension would be limited, and might, for example, only be extended to cover those members reaching SPa before April 2030.

• **Option 2:** Discount conversion as a long-term policy solution and make full GMP indexation the permanent solution for public service pension schemes.

1.20 An extension of full indexation is required until at least April 2024. However, the longer conversion is postponed, the more its benefits diminish. A relatively small number of members will remain whose benefits are not equal after full indexation, but equalisation for these members could be achieved with an alternative methodology to conversion on a £1:£1 basis (although this needs some further consideration). It appears to be administratively less burdensome to continue with full indexation after 2024 than to convert GMPs for those members reaching SPa after that date.

1.21 The main cost of conversion is the administrative work required to implement it. This cost remains significant, in particular for setting up the systems, no matter how few members are converted. At some point, these setting up and related operational costs will outweigh the benefits of conversion.9

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9 The cost of adopting conversion would fall to public service pension schemes and scheme administrators.
Who is in scope?

1.22 Serving and former public sector employees from the major workforces will be affected, including:

- the armed forces
- the fire and rescue services
- the police force
- the judiciary
- local government workers
- the NHS
- teachers
- civil servants

1.23 There may also be a number of wider public service and public sector organisations that are affected, either because their pensions are ‘official pensions’ as defined in s. 5(1) of the Pension (Increase) Act 1971 (‘PIA 1971’) or because, historically, their pension scheme has, through its own scheme rules, followed the treatment of the major public service pension schemes regarding the indexation of GMPs.

1.24 In this document, the public sector is defined in a wide sense according to the Office of National Statistics definition.

1.25 The government is aware that a few private sector occupational pension schemes may also be affected. Such schemes include those whose Trust Deeds and rules explicitly require them to follow the indexation treatment of the public service pension schemes, including the provisions of the PIA 1971 and the Social Security Pensions Act 1975 (‘SSPA 1975’), either by directly importing those provisions or requiring pensions to be indexed as if they were a particular public service pension scheme. The government is interested in understanding further how the extension proposals set out in this consultation might affect these schemes. However, the government’s policy is unchanged from before and it expects to make its decision on policy grounds.

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10 In R (on the application of British Telecommunications PLC) v HM Treasury and BT Pension Scheme Trustees [2018] EWHC 3251 (Admin), the Divisional Court found that there was no legal power under the Superannuation Act 1972 to amend the PCSPS rules to provide indexation, because this could only be done by the bespoke powers conferred by s. 59A of the Social Security Pensions Act 1975. The Divisional Court also found that it would be unlawful to use the power to amend PCSPS scheme rules under the Superannuation Act 1972 in the interests of the Claimant in order to avoid its incurring a pension liability to its pension scheme members, because that would be using statutory powers for a private, collateral purpose. The Divisional Court further found that amending the PCSPS rather than making a s. 59A direction would have interfered with the property rights of members of Section B. The Court of Appeal ([2020] EWCA Civ 1) did not approve or disapprove the decision of the Divisional Court on these issues.
Data quality and analysis

1.26 It has not historically been necessary for the public service pension schemes to hold GMP data on their active and deferred members who are below GMP age, although some schemes such as the Local Government Pension Scheme (LGPS) maintain some GMP data. As a consequence, the data held directly by the public service pension schemes on GMPs was incomplete. Generally, only when schemes are required under legislation to deduct the GMP amount from the public service pension for the purposes of indexing, did schemes obtain the necessary data from Her Majesty’s Revenue and Customs (HMRC). Schemes have been carrying out an extensive GMP reconciliation exercise to improve the quality of the GMP data that they hold.

Devolution

1.27 The policy decision taken would apply to all public service pension schemes in Great Britain to which sections 59 and 59A of the SSPA 1975 apply (together with the PIA 1971).

1.28 The Northern Ireland Executive will need to determine how they wish public service pension schemes in Northern Ireland to address the provision of indexation of the GMP following the introduction of the nSP and equalisation of payments to members of public service pension schemes in Northern Ireland. To date, the GMP in Northern Ireland schemes has been treated in the same way as in the schemes in Great Britain. Indexation of GMP is applied in an identical manner under an equivalent direction made by the Department of Finance under s. 69 and s. 69A of the Social Security Pensions (Northern Ireland) Order 1975 (read with the Pensions (Increase) Act (Northern Ireland) 1971).

Confidentiality

1.29 Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (‘FOIA’), the Data Protection Act 2018 (‘DPA’) and the Environmental Information Regulations 2004.

1.30 If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, amongst other things, obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information you have provided we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on HM Treasury.

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11 An exception is that when members are transferred out of the scheme, the scheme obtains the GMP of the individual.
1.31 HM Treasury will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Consultation principles

1.32 This consultation is being run in accordance with the government’s consultation principles.

How to respond

1.33 This consultation will run for 12 weeks and will close on 30 December 2020. Responses should be sent by email to gmp.consultation@hmtreasury.gov.uk with the subject heading ‘Consultation on indexation of GMP in public service pension schemes’.

1.34 Alternatively, please send responses by post to:

Consultation on indexation of GMP in public service pension schemes
Workforce, Pay and Pensions Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

1.35 When responding, please say if you are a business, individual or representative body. In the case of representative bodies, please provide information on the number and nature of people you represent.
Chapter 2

GMP indexation and equalisation

GMP indexation and equalisation prior to 6 April 2016

2.1 The precise rate at which different groups of public service pension members built up GMPs is complex, with men and women accruing GMPs at different rates. The “GMP accrual rate” is related to the length of assumed working life which has historically differed between men and women\(^{12}\). At the time GMPs were in use, men accrued their GMP at a slower rate than women, reflecting the unequal SPas for men and women at that time. Box 2.A shows how GMP accrual rates are calculated for an illustrative male and female. This means that a man and woman with identical employment histories will have different amounts of GMP, which is reflected in Table 2.A.

Table 2.A: Example GMP amounts in current prices

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-88 GMP</td>
<td>£1,500</td>
<td>£1,700</td>
</tr>
<tr>
<td>Post-88 GMP</td>
<td>£900</td>
<td>£1,100</td>
</tr>
</tbody>
</table>

*Source: Government Actuary’s Department (GAD)*

\(^{12}\) The number of complete tax years in the member’s working life from the tax year when the member reaches age 16 (or 6 April 1978 if later) to the tax year before the member reaches GMP age (age 60 for a woman and age 65 for a man).
Box 2.A: How the GMP accrual rate is derived

During the period in which GMPs could accrue, men reached SPa at age 65 and women reached SPa at age 60. The rate at which GMP accrued was related to the length of the member’s assumed working life (for GMP purposes) based on these SPas. For GMP accruing before 1988, the accrual rate was broadly one quarter of the member’s assumed working life. For GMP accruing after 1988 the accrual rate was broadly one fifth of the member’s assumed working life.

Example

Consider a man and a woman both born on 1 April 1959 who both join the public service workforce on 6 April 1978 at age 19.

The man’s GMP accrual rate:

The man’s working life is calculated as 45 years. This is because there are 45 complete tax years between his age 19 in 1978 and reaching age 65.

Pre-88 GMP

The accrual rate for pre-88 GMP is one quarter of the man’s working life:

\[
\frac{1}{45} \times \frac{1}{4} = \frac{1}{180}
\]

For each year the man worked prior to 1988, GMP would accrue at the rate of 1/180.

Post-88 GMP

The accrual rate for post-88 GMP is one fifth of the man’s working life:

\[
\frac{1}{45} \times \frac{1}{5} = \frac{1}{225}
\]

For each year the man worked after 1988, GMP would accrue at the rate of 1/225.

The woman’s GMP accrual rate:

The woman’s working life is calculated as 40 years. This is because there are 40 complete tax years between her age 19 in 1978 and reaching age 60.

Pre-88 GMP

The accrual rate for pre-88 GMP is one quarter of the woman’s working life:

\[
\frac{1}{40} \times \frac{1}{4} = \frac{1}{160}
\]

For each year the woman worked prior to 1988, GMP would accrue at the rate of 1/160.

Post-88 GMP

The accrual rate for post-88 is one fifth of the woman’s working life:

\[
\frac{1}{40} \times \frac{1}{5} = \frac{1}{200}
\]

For each year the women worked after 1988, GMP would accrue at the rate of 1/200.

The woman in this example accrues GMP faster than a man and will therefore have a larger GMP at her GMP age than the man will have at age 60.
2.2 There are general requirements under the Pension Schemes Act 1993 (PSA 1993)\textsuperscript{13} that apply to the calculation and indexation of GMPs earned under contracted-out, defined benefit occupational pension schemes. The general requirements for indexation vary, depending on when the GMP accrued, whether the GMP age has been reached, and whether the GMP has come into payment.

2.3 Once GMP age has been reached, the rate at which GMP is indexed under the PSA 1993 (regardless of whether the GMP is in payment) depends on the period over which the GMP accrued:

- If GMP accrued prior to 5 April 1988 (the ‘pre-88 GMP’) – there is no requirement under the PSA 1993 for the occupational pension scheme to provide price protection;

- If GMP accrued between 6 April 1988 and 5 April 1997 (the ‘post-88 GMP’) – occupational pension schemes are required to provide price protection up to 3% per annum under s. 109 of the PSA 1993.

2.4 Alongside this, the state also paid increases on the AP built up by the member when contracted-out when they reached SPa. These increases were also linked to prices. To ensure the member didn’t receive payment twice (once on the GMP and again on the AP)\textsuperscript{14}, a contracted-out deduction (broadly equivalent to the value of the GMP including any uprating paid by the occupational pension scheme under s. 109 of the PSA) was deducted from the gross AP (as increased by CPI) before it was paid. Any surplus left after this deduction was paid by the state to the pensioner as part of their State Pension. It is this payment that is no longer made under the nSP. This payment is referred to here as the ‘in-effect’ indexation of the GMP.

2.5 There are also special legislative provisions relating to the indexation of public service pensions under the PIA 1971 read with the SSPA 1975. In s. 59 and s. 59A of the SSPA, there are specific provisions to ensure that GMPs payable by public service pension schemes are fully indexed as against price rises. Box 2.B provides an example of how the mechanism has worked to provide a fully indexed public service pension payment. Box 2.C provides a further example setting out how this mechanism also provided for a fully equalised payment. This mechanism is known technically as the “uprating difference calculation” and is referred to in HM Treasury’s guidance\textsuperscript{15}.

2.6 As a result of the commitments given by previous governments since the time GMPs were first planned and which were reflected in legislation such as the SSPA (as amended), public servants have a right to full indexation of their public service pensions, including the GMP element\textsuperscript{16}.

\textsuperscript{13} For NI schemes the equivalent requirements are contained the Pension Schemes Act (Northern Ireland) 1993.

\textsuperscript{14} Though the member was contracted-out, they maintained an entitlement to Additional State Pension minus a deduction because they were contracted-out.


\textsuperscript{16}Refer to footnote 3.
Box 2.B: How the occupational pension was previously fully price protected (for Public Service Pension Schemes)

Consider a man who retired at age 60 with an occupational pension of £10,000. At age 65 (his State Pension age) he has an occupational pension of £10,000 (assuming all pension and GMP increases up to age 65 are zero for simplicity) comprising:

- £1,300 of GMP earned pre-88
- £800 of GMP earned post-88
- £7,900 excess over GMP

He is also entitled to a gross Additional State Pension (for the period of employment between 1978 and 1997) of £2,100 (including CPI), minus a deduction due to being contracted out.

At the beginning of the next financial year, increases are due on the pension. For the example below, the increase in prices (CPI) is assumed to be 4%. The mechanism through which the occupational pension was historically price protected is set out below.

**Payment made by the occupational pension scheme**

<table>
<thead>
<tr>
<th>Pre-88 GMP</th>
<th>Post-88 GMP</th>
<th>Excess over GMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>The scheme is required to pay the £1,300 of pre-88 GMP accrued.</td>
<td>Increased under PSA 1993. The scheme is required to pay the £800 of post-88 GMP accrued. It is also required under the PSA to price protect the post-88 GMP up to 3%.</td>
<td>Increased under PIA 1971. The scheme will fully price protect the excess over GMP.</td>
</tr>
<tr>
<td>Starting amount: £1,300</td>
<td>Starting amount: £800</td>
<td>Starting amount: £7,900</td>
</tr>
<tr>
<td>Price protection: £0</td>
<td>Price protection: £800 x 3% = £24</td>
<td>Price protection: £7,900 x 4% = £316</td>
</tr>
<tr>
<td>Total Payment: £1,300</td>
<td>Total Payment: £800 + £24 = £824</td>
<td>Total Payment: £7,900 + £316 = £8,216</td>
</tr>
</tbody>
</table>
Contracting out deduction

To prevent a double payment of GMP occurring from both the occupational pension scheme and the state, a contracting out deduction would be made from the Additional State Pension.

Additional State Pension (for the period of employment between 1978 and 1997) - £2,100

Price Protection:
£2,100 x 4% = £84
£2,100 + £84 = £2,184

Contracting out deduction
£1,300 + £824 = £2,124

Additional State Pension payable
£2,184 - £2,124 = £60

Therefore, the individual would receive **£10,340 from the scheme** (£1,300 pre-88 GMP, £824 post-88 GMP and £8,216 excess pension) and **£60 from the State**, through the Additional State Pension. The man’s total pension, related to his occupational pension accrual, in the financial year would be **£10,400**. This is equal to his starting pension of £10,000 increased in full with price inflation of 4%.

The process would be repeated at the start of the next financial year.
Box 2.C: How full price protection maintains equalised payments (for Public Service Pension Schemes)

Box 2.B shows how a man’s GMP is fully price-protected. The process of full price-protection also ensures that the total pension, related to occupational pension accrual, is equalised between men and women. The example below shows how a man and women’s pension is equalised by being fully price-protected.

Consider a woman who also retired at age 60 (her state pension age) with an occupational pension of £10,000, but with higher GMP amounts. At age 65 she also has an occupational pension of £10,000 (assuming all pension and GMP increases up to age 65 are zero for simplicity and consistency with the male example). The occupational pension at 65 comprises:

- £1,500 of GMP earned pre-88
- £900 of GMP earned post-88
- £7,600 excess over GMP

She is also entitled to a gross Additional State Pension (for the period of employment between 1978 and 1997) of £2,400 (including CPI increases), minus a deduction because she had been contracted out (again, for simplicity and consistency, assuming state pension increases up to age 65 are zero).

Following the same process, and assumptions, as for the male example, the payments made over the next financial year are set out below.

<table>
<thead>
<tr>
<th>Payment made by the occupational pension scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-88 GMP</strong></td>
</tr>
<tr>
<td>Starting amount: £1,500</td>
</tr>
<tr>
<td>Price protection: £0</td>
</tr>
<tr>
<td>Total Payment: £1,500</td>
</tr>
</tbody>
</table>

| **Post-88 GMP** |
| (increased under PSA 1993) |
| Starting amount: £900 |
| Price protection: £900 x 3% = £27 |
| Total Payment: £900 + £27 = £927 |

| **Excess over GMP** |
| (increased under PIA 1971) |
| Starting amount: £7,600 |
| Price protection: £7,600 x 4% = £304 |
| Total Payment: £7,600 + £304 = £7,904 |
**Contracting out deduction**

**Additional State Pension** (for the period of employment between 1978 and 1997) - £2,400

**Price Protection:** £2,400 x 4% = £96

£2,400 + £96 = £2,496

**Contracting out deduction**

£1,500 + £927 = £2,427

**Additional State Pension payable**

£2,496 - £2,427 = £69

Therefore, the woman would receive **£10,331 from the scheme** (£1,500 pre-88 GMP, £927 post-88 GMP and £7,904 excess pension) **and £69 from the state**, through the Additional State Pension. The woman’s total pension for the financial year would be **£10,400**. As such, the total payment received by a man and a woman with the same career history is equal.

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**Providing for full indexation in exceptional cases**

2.7 In some instances, the above-mentioned system did not provide full indexation for public service pensioners and, therefore, did not provide a fully equalised pension payment. These instances included where the member lived abroad in a country that did not have a reciprocal social security agreement with the UK and therefore the member did not receive increases to their UK State Pension.

2.8 For these circumstances, and to meet the government’s commitments on indexation, the Treasury direction made under s. 59A of the SSPA has provided for the equivalent of the missing indexation on the AP by requiring the public service pension scheme to fully index the whole public service pension including the GMP.

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**Impact of the introduction of the nSP**

2.9 The nSP simplified pension provision, but it removed the AP and with it the mechanism described above in Box 2.B and 2.C that provided public servants with fully indexed and equalised benefits overall. This impacts members of a public service pension scheme with a GMP earned in a public service in two ways:

- They no longer receive, in effect, full indexation of their GMP through the indexation received on an AP;
- The previous mechanism designed to avoid unequal payments on account of sex no longer applies.

2.10 Annex B explains how to determine the maximum amount of GMP (in 2020-21 prices) that could be accrued for members of public service pension schemes who will reach SPa after 5 April 2021.
Full indexation from April 2016

2.11 On 1 March 2016 the government announced that it would continue to price protect the GMP of public servants who reached SPa between 6 April 2016 and 5 December 2018. This was done by way of the s. 59A direction and ensured that past indexation commitments as well as equalisation were met. The cost of this was passed onto public service pension schemes. On 22 January 2018, the government announced that it would extend full indexation so that those reaching SPa on or before 5 April 2021 would also have their GMPs fully indexed. This ensured that, for those reaching SPa on or before 5 April 2021, the public service pension scheme would provide full indexation of the GMP accrued while in the relevant employment, for the members’ lifetime. It also provided for full indexation for others who were below their GMP age but with a GMP in payment related to public service, including any surviving dependant or spouse entitled to a pension.

2.12 Further information on the system under the old State Pension, GMP accrual rates, the impact of the introduction of the nSP and the relevant legislation can be found in the original GMP indexation and equalisation consultation 17.

Developments since the publication of the GMP indexation and equalisation consultation response in 2018.

2.13 As part of the consultation response, the government agreed that it would review the possibility of implementing conversion as a long-term solution 18. It agreed that HMT would consult relevant government departments and schemes to decide whether a suitable methodology and legislation could be brought forward to enable conversion to take place in the future.

2.14 GMP conversion would mean a reduction in administrative complexity once implemented. However, the conversion process itself would also be administratively complex. Therefore, conversion would only be worthwhile if the net impact of conversion was a reduction in administrative complexity.

2.15 The Government Actuary’s Department (GAD) was appointed to set out a possible methodology for GMP conversion. The methodology followed the general principle set out in the 2018 consultation document that conversion for public service pension schemes, in the majority of cases, should be based on a “£1:£1 conversion”, where the GMP would be converted into an equal amount of ‘normal’ scheme pension, which is fully indexed in line with the PIA 1971. The methodology only considered those public servants yet to reach SPa, as the old state pension system, where the AP and public service pensions worked together, provided for full indexation and equalisation for those that reached SPa before April 2016. Similarly, the ‘interim solution’ provided full indexation for those public servants who reached SPa after 5 April 2016 and before 6 April 2021, as well as ensuring that the great majority of men and women that reached SPa in that period continued to


receive equal pension payments. Consequently, schemes would need to maintain GMP records going forward, even if conversion was implemented.

2.16 As part of a series of technical working groups, the government, with scheme administrators, considered GAD’s proposed conversion methodology. In addition, the benefits of adopting conversion over full indexation were considered, along with the desire to adopt conversion in the context of existing pressures and schemes’ capacity to deliver conversion by April 2021.

2.17 It is now the government’s view that full indexation must be extended as it would not be possible to deliver conversion by April 2021. GAD’s proposed conversion methodology, along with attendees of the technical working groups, highlighted the implications of adopting a new long-term methodology and raised a number of equalisation issues that require further consideration before conversion could take place.

2.18 For instance, the technical working groups highlighted that there are a small number of members whose benefits are not equalised by full indexation or £1:£1 conversion. Typically, this is due to the GMP being relatively large compared to the rest of the member’s pension so the total pension at retirement is affected by the GMP, rather than the GMP only affecting future pension increases. Whilst there are options available to remedy this\(^{19}\), further consideration is necessary. Alternatively, even after adopting a policy of continuing full indexation, it would remain possible at some future date to convert the GMP benefits of those members who are yet to take their pension. Therefore, conversion could remain a policy option to achieve equalisation for this minority of cases.

2.19 Furthermore, public service pension schemes are currently undertaking remedy work which is required in response to the Court of Appeal’s judgment, known as the McCloud case, the preparations for which are scheduled to last until April 2022 with implementation for the majority of cases continuing well beyond that date. In addition, schemes have to deliver their business as usual responsibilities and contend with the consequences of Covid-19, as well as responding to other legal challenges\(^{20}\). With this in mind, schemes are unlikely to have the capacity to deliver GMP conversion until April 2024 at the earliest. However, this does not take into consideration the possibility of other unforeseeable pressures in the future.

2.20 In addition, although there are provisions within the PSA 1993 that enable the modification of schemes by resolution to effect conversion, this is not appropriate for public service pension schemes whose rules are made in legislation. Furthermore, a working group led by the Department for Work and Pensions concluded that the provisions in the PSA 1993 would require amendment before they could be used for wide scale conversion. Any legislative changes are unlikely to be deliverable by April 2021.

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\(^{19}\) For example, equalisation of such cases could be achieved by grossing up the benefits to the higher of those payable to a man or woman at the age the GMP benefit is taken and ensuring that such benefits have been paid or are in future payable on that basis, regardless of sex.

\(^{20}\) Refer to footnote 8.
2.21 As no further GMPs were accrued after 5 April 1997, there is a steadily diminishing number of public servants with a GMP who are yet to reach SPa. Beyond 2040, we expect there to be few if any members with a pre-88 GMP coming into payment. Beyond 2050, there will be a very small number of public servants reaching SPa with a post-88 GMP (most likely individuals with a survivor’s GMP). This assumption is based on the earliest date members might have joined the workforce and could accrue post-88 GMP and on current plans for increases in State Pension age.

2.22 The longer full indexation is extended, the more the benefits of conversion diminish. A feasible extension of the interim solution needs to last until at least April 2024, to enable scheme administrators time to complete their existing programmes of work. Schemes took the view that by this point, the benefits of conversion will have further diminished and there will be little value in adopting conversion for members in general.
Chapter 3
Options available to the government

Options beyond April 2021

3.1 There are a number of reasons why the government will be unable to implement conversion by 6 April 2021. As explained above, the evaluation of conversion as a long-term solution has highlighted cases where conversion could not be undertaken on a £1:£1 basis, which will require further consideration. In addition to this, public service pension schemes and scheme administrators do not have the capacity to deliver conversion by April 2021. To ensure that those public servants reaching SPa or their GMP age from 6 April 2021 receive full indexation on their GMP and prevent further unequal payments to men and women in public service schemes, the government must, at a minimum, extend full indexation.

3.2 This chapter considers the three options available to address the challenge of GMP indexation:

- extend full indexation to cover those reaching SPa up to and including 5 April 2024
- extend the interim solution to cover those reaching SPa beyond 5 April 2024, for example to March 2030
- discount conversion as a long-term policy solution and make full GMP indexation the permanent solution for public service pension schemes

3.3 The above options each result in a different outcome but ensure that members of public service pension schemes will continue to have their GMP fully indexed. All three options minimise the payment of unequal benefits between men and women. However, there will remain a small number of instances where inequalities remain, which will need further consideration beyond this consultation.

3.4 These indexation options would be delivered by way of direction made under s. 59A of the SSSA 1975, as has been the case for the delivery and extension of full indexation to date.

- Option 1a: The extension of full indexation to cover those reaching SPa up to 5 April 2024.

3.5 In considering conversion as a long-term solution, the government identified a small number of cases where neither conversion on a £1:£1 basis nor full indexation achieves equalisation. The full indexation approach, however, is already in place and provides a level of benefit appropriate for the great
majority of members with GMPs and a benefit that is likely to provide most of the required benefit for the minority requiring some further consideration of equalisation. However, conversion requires new systems to convert the GMP including for this minority, followed by the application of full indexation to the converted benefit. Before such systems could be created and the GMPs converted there would need to be further consideration, to ensure that the GMPs would be equalised upon conversion.

3.6 As set out above, public service pension schemes are undertaking a large programme of work, including the pensions remedy work in relation to the McCloud litigation, as well as contending with the consequences of Covid-19. An extension to April 2024 would give schemes the opportunity to fulfil their existing commitments and provide a window to re-evaluate conversion, consider those cases where conversion cannot be undertaken on a £1:£1 basis, and implement conversion, should this be the preferred long-term solution. However, there remains a possibility that public service pension schemes are unable to implement conversion by this date.

3.7 In addition, although there are provisions within the PSA 1993 that enable the modification of schemes by resolution to effect conversion, this is not appropriate for public service pension schemes whose rules are made in legislation. An extension would enable the government to further consider the required legislative changes.

**Question 1:** Do you consider an extension of full indexation until April 2024 to be appropriate to ensure that the government can meet its existing commitments, re-evaluate conversion as a long-term solution and resolve the handling of those cases where conversion could not be undertaken on a £1:£1 basis?

- **Option 1b:** The extension of full indexation to cover those reaching SPa beyond 5 April 2024.

3.8 Even with an extension until April 2024, there is a risk that public service pension schemes would struggle to deliver conversion to this timeline. There remains the risk of further pressures arising, along with administrative challenges of identifying and equalising the small number of GMP cases that are not equalised by conversion on a £1:£1 basis.

3.9 An extension of full indexation to cover those reaching SPa beyond 5 April 2024, for example to March 2030, would do largely the same as set out in Option 1a. However, this option would provide public service pension schemes with additional flexibility to fulfil the existing commitments and consider those GMP cases that cannot be converted on a £1:£1 basis, including how to identify and process these cases. This will need to be resolved before conversion can be undertaken.

21 Refer to footnote 8.
3.10 As mentioned, the benefits of conversion diminish over time.

**Question 2:** Should the government consider an extension of full indexation to cover those reaching SPa beyond 5 April 2024? If so, how long should the government extend full indexation for, and why?

- **Option 2:** Discount conversion as a long-term policy solution and make full GMP indexation the permanent solution for public service pension schemes.

3.11 The longer that full indexation is extended, the benefits of conversion diminish and the less value there is in adopting conversion as a long-term solution. This is because the number of public servants with a GMP still to reach SPa is falling. The main cost of conversion is the administrative cost of implementing it. This cost is significant, no matter how many members’ benefits are converted, so there will be no net benefit of conversion if it is delayed for too long.\(^{22}\)

3.12 With this in mind, full indexation could be made the permanent solution to GMP indexation. During the technical working group process, public service pension schemes agreed that the interim solution should be extended as a minimum, given the reasons set out above on scheme capacity and unresolved technical issues on GMP cases for which conversion cannot be undertaken on a £1:£1 basis.

3.13 Furthermore, in the event that conversion was adopted as the long-term solution, following an extension of the interim solution, public service pension schemes would be required to maintain three different procedures for processing GMPs. A process is required for those that reached SPa before 6 April 2016 and either had GMPs indexed in effect in part through an AP or, if not, fully indexed by the scheme. A separate process is required for fully indexing the GMPs of those members who reached SPa after 6 April 2016 and before the date full GMP indexation by the scheme ended. There would then be an additional one-off conversion process in place for those members whose GMP was converted before it could come into payment. Regardless of conversion, schemes would therefore need to maintain GMP records going forward for the majority of members who currently have GMPs and whose GMP is not converted.

3.14 However, even after a policy of continuing full GMP indexation had been applied it would remain possible for the government to subsequently change its policy and to convert the GMP benefits of those members who are yet to take their pension. Conversion could remain a policy option to achieve equalisation for the small number of members whose benefits are not equal after full indexation and who are yet to take their pension.

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\(^{22}\) Refer to footnote 9.
**Question 3:** Should the government consider making full GMP indexation the permanent solution for all members due to reach SPa after 5 April 2021? If so, why do you think this is the most appropriate solution?

**Question 4:** Do you consider full GMP indexation to be an appropriate method in most cases to avoid unequal pension payments to men and women?

**Impact on the wider public sector and private sector**

3.15 The government recognises that for some private sector organisations and wider public sector organisations, the decision to extend full indexation will impact on their pension scheme. The government is keen to hear from such organisations and representatives of their scheme members and pension fund trustees. It will be helpful to understand how their rules align to those of the public service pension schemes, whether the government should take action to avoid a read across to their schemes and, if so, what specific actions the government could lawfully take to avoid direct implications for their pension schemes, including which policy options would be expected to directly require changes to such schemes. The government is not responsible for the rules of such private sector schemes and they can, for example, convert accrued GMP benefits into normal scheme benefits without the government’s consent.

3.16 The initial decision by the government to extend full indexation to cover those PSP members reaching SPa up to 5 April 2021, by way of a direction made under s. 59A of the SSPA 1975, was legally challenged by way of a Judicial Review.

3.17 British Telecom (BT) challenged the decision because the rules of Section B of the BT Pension Scheme (BTPS) require BT to comply with s. 59A directions. BT argued that HMT should have instead amended the rules of the Principal Civil Service Pension Scheme (PCSPS) under the Superannuation Act 1972 to provide indexation, as this would (or, at least, may) have avoided an impact on Section B which BT would ultimately be required to fund.

3.18 The Divisional Court23 found that there was no legal power under the Superannuation Act 1972 to amend the PCSPS rules to provide indexation, because this could only be done by the bespoke powers conferred by s. 59 / s. 59A of the SSPA 1975. The Divisional Court also found that it would be unlawful to use the power to amend PCSPS scheme rules under the Superannuation Act 1972 in the interests of the claimant (BT). In addition, the Divisional Court found that amending the PCSPS rules rather than making a s. 59A direction would have interfered with the property rights of the BT pension scheme members.

3.19 This judgment was appealed to the Court of Appeal24. The Court of Appeal dismissed BT’s appeal on the basis of its factual findings. The Court found


that the government’s decision was based on general policy considerations in addition to and unrelated to any issues of vires or of infringement of legally protected property rights of members of the BT scheme. The Court of Appeal therefore did not need to consider the Divisional Court’s findings in respect of vires, improper purpose or property rights. The Court of Appeal was clear that it was not implicitly approving or disapproving the Divisional Court’s decision on those issues.

3.20 The government is aware that the options under consideration in this consultation would or are likely to read across to certain other schemes, because of the rules governing those schemes. The government will carefully consider any proposals that consultees put forward that are designed to avoid such a read across. However, consultees will need to explain why they consider that the government should take action to prevent the rules having their ordinary effect. If the government took action to prevent members benefiting from the rules which currently govern such schemes, the government could be seen as acting against members’ financial interests. Government would be asked why it was prioritising the financial interests of employers over those of scheme members, by preventing the rules which currently govern these schemes having their ordinary effect. The government’s current assessment is that it would not be appropriate to prevent scheme rules having their ordinary effect, quite apart from and in addition to the findings of the Divisional Court summarised above.

**Question 5**: How could the delivery of any of the policies outlined in this consultation, by way of a direction made under s. 59A of the SSPA 1975, impact on wider public sector or private sector schemes which are not providing ‘official pensions’ under the PIA 1971?

**Question 6**: If wider public sector or private sector schemes which are not providing ‘official pensions’ are impacted by any of the policy options set out in this consultation, why were their pensions originally designed to mirror official pensions?

**Question 7**: Should the government take action to avoid any read across, from its decision following this consultation in respect of public service schemes, to any wider public sector or private sector schemes that are not delivering ‘official pensions’ under the PIA 1971?

**Question 8**: What considerations should the government take into account when deciding whether to take such action? In particular, why should government act so that the members of these schemes do not receive the benefits which they would otherwise receive under the scheme rules?

**Question 9**: Are there actions the government could lawfully take to avoid any read-across, from its decision following this consultation in respect of public service schemes, to any wider public sector or private sector schemes that are not delivering ‘official pensions’ under the PIA 1971?

**Question 10**: Are there wider issues relating to the GMP that are not mentioned here and which should be considered when the government decides its policy?
Chapter 4

Summary of questions

Question 1: Do you consider an extension of full indexation until April 2024 to be appropriate to ensure that the government can meet its existing commitments, re-evaluate conversion as a long-term solution and resolve the handling of those cases where conversion could not be undertaken on a £1:£1 basis?

Question 2: Should the government consider an extension of full indexation to cover those reaching SPa beyond 5 April 2024? If so, how long should the government extend full indexation for, and why?

Question 3: Should the government consider making full GMP indexation the permanent solution for all members due to reach SPa after 5 April 2021? If so, why do you think this is the most appropriate solution?

Question 4: Do you consider full GMP indexation to be an appropriate method in most cases to avoid unequal pension payments to men and women?

Question 5: How could the delivery of any of the policies outlined in this consultation, by way of a direction made under s. 59A of the SSPA 1975, impact on wider public sector or private sector schemes which are not providing ‘official pensions’ under the PIA 1971?

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Question 10: Are there wider issues relating to the GMP that are not mentioned here and which should be considered when the government decides its policy?
Examples of potential public service pension scheme sex inequalities due to GMPs

A.1 There are a small number of public service pension scheme members whose pensions are not equalised by full indexation. Consequently, conversion on a £1:£1 basis would also not achieve equalisation. These members will have a large GMP relative to their total pension. Examples of how benefits could be unequal for these members are set out below:

- GMP tests

A.2 When a pensioner reaches GMP age or retires at or after GMP age the pension must be at least as much as the GMP and also at least as much as a pension calculated according to the “anti-franking”\(^\text{25}\) rules. Public service schemes revalue the whole pension in line with public service pension increase orders and so the anti-franking requirements are lower than for the majority of private-sector schemes that revalue in line with statutory minimum revaluation.

A.3 If the pension is lower than the GMP or the amount calculated according to anti-franking rules, then it will be increased to satisfy the minimum requirement. Since GMP age and the amount of the GMP is different between men and women, this will give rise to differences between comparable men and women if the pension has to be increased to satisfy these requirements. For instance, a woman retiring at 60 would benefit from the GMP requirements from retirement while a comparable man would need to wait until 65 to receive an uplift to his pension.

- GMP test on early retirement

A.4 Most public service pension schemes allow members to retire before normal retirement age with the pension being reduced for early retirement. If a member’s pension is reduced, there is an increased risk that once they reach GMP age their pension will need to be increased to comply with GMP requirements.

A.5 As a result, most schemes require that early retirement with a reduced pension is only permitted if a test is passed to ensure that there will not need

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\(^{25}\) The anti-franking rules are set out in Section 87 to 92 of the PSA 1993. The aim is to prevent any pension accrued in excess of the GMP being eroded to cover the revaluation applied to the GMP before it is put into payment.
to be an increase in pension when the member reaches GMP age. The test

can take into consideration the rate of GMP and the number of years until

GMP age as inputs. Due to the inputs being different for men and women,

the result of the test will differ. Both men and women could find themselves

at a disadvantage in comparison to the opposite sex.
Annex B

Determining the maximum GMP for those reaching SPa after 5 April 2021

B.1 It is possible to determine the maximum amount of GMP (in 2020-21 prices) that could be accrued for members of public service pension schemes who will reach SPa after 5 April 2021.

B.2 Those maximum GMP amounts have been derived by considering members of public service pension schemes who:

- are born on 6 April 1955
- worked and had band earnings above the UEL throughout the entire period that GMP accrued
- reach SPa and start to draw their GMP at their State Pension age on 6 April 2021

B.3 The maximums (rounded to the nearest £100) are set out in Table A.1 below.

Table A.1: Maximum GMP (current prices) for those reaching SPA after 5 April 2021

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-88 GMP</td>
<td>£3,500</td>
<td>£4,600</td>
</tr>
<tr>
<td>Post-88 GMP</td>
<td>£2,200</td>
<td>£3,600</td>
</tr>
</tbody>
</table>

Source: Government Actuary’s Department (GAD)

A.2 If, from GMP age, GMP increases were only provided under the PSA 1993 requirements, a public service pensioner would receive no increases on their pre-88 GMP and increases up to 3% on their post-88 GMP.

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26 The relative differences between male and female GMP amounts are much more significant in Table A.1 than in Table 1.A. This is because the woman in Table A.1 is further beyond her GMP age of 60 and therefore has gained more from the GMP deferment increments of 1/7th per cent a week than a man whose GMP age is 65.
Annex C

Data privacy notice

Public Service Pensions: GMP indexation consultation – Processing of Personal Data

C.1 This notice sets out how HM Treasury will use your personal data for the purposes of the consultation on Public Service Pensions: GMP indexation consultation and explains your rights under the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 (DPA).

1. Your data (Data Subject Categories)

C.2 The personal information relates to you as either a member of the public, parliamentarians, and representatives of organisations or companies.

2. The data we collect (Data Categories)

C.3 Information may include your name, address, email address, job title, and employer of the correspondent, as well as your opinions. It is possible that you will volunteer additional identifying information about themselves or third parties.

3. Legal basis of processing

C.4 The processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in HM Treasury. For the purpose of this consultation the task is consulting on departmental policies or proposals or obtaining opinion data in order to develop good effective government policies.

4. Special categories data

C.5 Any of the categories of special category data may be processed if such data is volunteered by the respondent.
5. Legal basis for processing special category data

C.6 Where special category data is volunteered by you (the data subject), the legal basis relied upon for processing it is: the processing is necessary for reasons of substantial public interest for the exercise of a function of the Crown, a Minister of the Crown, or a government department.

C.7 This function is consulting on departmental policies or proposals, or obtaining opinion data, to develop good effective policies.

6. Purpose

C.8 The personal information is processed for the purpose of obtaining the opinions of members of the public and representatives of organisations and companies, about departmental policies, proposals, or generally to obtain public opinion data on an issue of public interest.

7. Who we share your responses with

C.9 Information provided in response to a consultation may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA) and the Environmental Information Regulations 2004 (EIR).

C.10 If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, amongst other things, obligations of confidence.

C.11 In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on HM Treasury.

C.12 Where someone submits special category personal data or personal data about third parties, we will endeavour to delete that data before publication takes place.

C.13 Where information about respondents is not published, it may be shared with officials within other public bodies involved in this consultation process to assist us in developing the policies to which it relates. Examples of these public bodies appear at: https://www.gov.uk/government/organisations.

C.14 As the personal information is stored on our IT infrastructure, it will be accessible to our IT contractor, NTT. NTT will only process this data for our purposes and in fulfilment with the contractual obligations they have with us.
8. How long we will hold your data (Retention)

C.15  Personal information in responses to consultations will generally be published and therefore retained indefinitely as a historic record under the Public Records Act 1958.

C.16  Personal information in responses that is not published will be retained for three calendar years after the consultation has concluded.

9. Your rights

- you have the right to request information about how your personal data are processed and to request a copy of that personal data
- you have the right to request that any inaccuracies in your personal data are rectified without delay
- you have the right to request that your personal data are erased if there is no longer a justification for them to be processed
- you have the right, in certain circumstances (for example, where accuracy is contested), to request that the processing of your personal data is restricted
- you have the right to object to the processing of your personal data where it is processed for direct marketing purposes
- you have the right to data portability, which allows your data to be copied or transferred from one IT environment to another

10. How to submit a Data Subject Access Request (DSAR)

C.17  To request access to personal data that HM Treasury holds about you, contact:

HM Treasury Data Protection Unit
G11 Orange
1 Horse Guards Road
London
SW1A 2HQ

dsar@hmtreasury.gov.uk

11. Complaints

C.18  If you have any concerns about the use of your personal data, please contact us via this mailbox: privacy@hmtreasury.gov.uk.
C.19 If we are unable to address your concerns to your satisfaction, you can make a complaint to the Information Commissioner, the UK’s independent regulator for data protection. The Information Commissioner can be contacted at:

Information Commissioner’s Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF  
0303 123 1113  
casework@ico.org.uk

C.20 Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

12. Contact details

C.21 The data controller for any personal data collected as part of this consultation is HM Treasury, the contact details for which are:

HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ  
020 7270 5000  
public.enquiries@hmtreasury.gov.uk

C.22 The contact details for HM Treasury’s Data Protection Officer (DPO) are:

The Data Protection Officer  
Corporate Governance and Risk Assurance Team  
Area 2/15  
London  
SW1A 2HQ  
privacy@hmtreasury.gov.uk
HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

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