This flowchart is based on PASA guidance note 1, ‘Reconciling contracted-out benefits: a framework for action’

GMP RECONCILIATION PROCESS MAP

Member level reconciliation exercise
Verify membership & agree with HMRC
(see guidance note 2)

Data comparison exercise
Consider investigating any major discrepancies as an initial step

Consider use of tolerances
Liaise with employer/administrator to consider scope and cost/benefit issues
(see guidance note 3)

Data comparison cases outside the scope of any investigative tolerance applied by the scheme

Data comparison exercise applying investigative tolerance: e.g. if GMP value is within the greater of £x per week or y% of pre-97 scheme benefit, accept HMRC figure?

Yes

No

Provide evidence to HMRC

In addition

Consider corrective action on benefits
(to be covered in future guidance)

Members not in receipt of pension
Resplit benefits and adjust member records as appropriate

Consider corrective action on data – for example, pay CEPs; conform data to HMRC records?

Members with benefits in payment
Action depends on type of error
(see below)

Underpayments
Past underpayments:
- Pay pension arrears
- Pay interest on arrears?
Future payments: Increase future pension payments to correct level

Overpayments
Past overpayments:
- Augment benefits?
- Seek recovery?
- Write off overpaid amounts?
Future payments: Reduce to correct level, or augment benefits to current level?