

**PRIVATE AND CONFIDENTIAL**

Title Initial Surname  
Address 1  
Address 2  
Address 3  
Address 4  
Address 5  
Postcode

Rec Num

7 April 2021  
Member reference: **Member reference**

## Important information about your pension benefits

### CSC COMPUTER SCIENCES LTD 2005 PENSION SCHEME

Dear **Title Surname**,

On behalf of the Trustee I am writing to update you about important developments that may affect your **Scheme** benefits. You are receiving this letter because you have **GMP** benefits in the Scheme.

#### IN SHORT...

In October 2018, a High Court ruling resulted in the requirement for all UK pension schemes to equalise benefits between women and men who have guaranteed minimum pensions ('GMP'), now referred to as 'GMP Equalisation'.

The Trustee of the CSC Computer Sciences Ltd 2005 Pension Scheme is therefore reviewing members' pension benefits to ensure that the Scheme complies with the requirements of 'GMP Equalisation', further details below. The Trustee intends to do this using a process known as 'GMP Conversion', which will also simplify the benefit structure.

Under the GMP Conversion approach that the Trustee is considering:

- ▶ GMP Conversion means that the GMP part of your pension would be replaced by a corresponding new non-GMP element of pension;
- ▶ As far as is possible, the terms on this new element of pension (such as future pension increases and attaching spouse's pension) would be the same as for your GMP pension, though it is possible that for legislative reasons there may need to be some very minor amendments. However, **the overall value of your current pension entitlement and the attaching terms would not be reduced as a result of GMP Conversion.**
- ▶ **For members (or Dependants) currently receiving a pension**, the monthly pension that you currently receive would not be reduced as a result of GMP Conversion;
- ▶ **For members who have not yet drawn a pension from the Scheme**, the monthly pension that you receive when you retire would not be less than the amount you would have expected to receive at that time prior to any GMP Conversion.

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#### TERMINOLOGY

##### TRUSTEE

DXC Pension Trustee Limited

##### SCHEME

CSC Computer Sciences Ltd  
2005 Pension Scheme

##### GMP

Guaranteed Minimum Pension – an element of your pension built up between April 1978 and April 1997 (see the Appendix for details)

##### COMPANY

CSC Computer Sciences Limited

##### DEPENDANT

Means a surviving spouse, civil partner or financial dependant currently in receipt of a dependant's pension under the Scheme.

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The rest of this letter gives you more information around GMP Equalisation and GMP Conversion and what this could mean for you. **Please read it carefully.**

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## CONSULTATION WITH YOU

Before deciding whether to implement GMP Conversion, the **Trustee is required to consult with you, which it is doing through this letter**, and would like to give you the opportunity to put forward any thoughts and ask any questions that you may have.

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### LET US KNOW IF...

You have any questions about this GMP Conversion consultation. **Please get in touch by 7 May 2021, when the consultation period will end**, to make sure that the Trustee and Company are able to take your views into consideration before deciding whether to implement GMP Conversion.

OR

You have **tax protection in relation to your pension Lifetime Allowance** (see page 5 for further details). **Please provide this information to the Trustee now.**

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#### EMAIL

**DXCPensions@mercer.com**

(Please make sure you include CSC GMP Consultation in the subject line)

#### TELEPHONE

**0370 607 0054**

#### IN WRITING

Platinum Team  
CSC GMP Consultation  
Westgate House  
52 Westgate  
Chichester  
PO19 3HF  
UK

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## THE SCHEME'S APPROACH TO GMP EQUALISATION AND GMP CONVERSION

To ensure that the Scheme complies with the requirements of GMP Equalisation, the Trustee is in the process of carrying out a three-step process; **the third of which the Trustee would like to hear your thoughts on before deciding whether to implement.**

### 1. GMP rectification

We have been working with HMRC to make sure that the information held by the Scheme in relation to your GMP benefits is accurate. If it is found that the information held is incorrect, our records will be updated which could result in a change to your pension. We will let you know if you are affected by this.

### 2. GMP Equalisation

GMP Equalisation is an exercise to ensure that the amount of GMP benefits is equal between male and female members, and is required by law. If it is found that your pension is lower than that of someone of the opposite sex, you would receive a slightly higher pension. **In no circumstances would this result in a reduction to your benefits.**

### 3. GMP Conversion – consultation with members and Dependants

Following GMP Equalisation, the Trustee intends to convert your GMP benefits into very similar non-GMP benefits of the same value. This will **not affect the total amount of pension that you receive**, and broadly the portion of your benefits that were GMP benefits will continue to increase at the rate they do currently. **Further information on the Trustee's proposed approach to GMP conversion and the impact it may have on your benefits can be found in the Appendix to this letter.**

## NEXT STEPS

**We will write to you again in June 2021 with the outcome of this consultation.**

In the event that the consultation outcome is to proceed with GMP Conversion:

- ▶ **For members and Dependants receiving a Scheme pension in December 2020**, we will separately provide you with details of any personal impact on your Scheme pension benefits in August 2021.
- ▶ **For members and Dependants who started receiving their pension from the Scheme after 31 December 2020**, GMP conversion for your benefits will be completed in late 2021 / early 2022.
- ▶ **For members who have not started receiving their pension**, GMP conversion for your benefits will be completed in late 2021 / early 2022.

Thank you for taking the time to read this letter.

Yours sincerely,



Mark Greenhalgh  
Chair of the Trustee

### IMPORTANT NOTE

The Trustee has taken extensive legal and actuarial advice in relation to GMP Equalisation and GMP Conversion and is satisfied that, on the basis of the advice received, the approach it intends to take complies with the requirements of the law and that overall they are in the best interests of the Scheme's members.

The benefits payable under the Scheme are subject to the Scheme's governing documentation.



## Appendix

# GMP EQUALISATION AND GMP CONVERSION

The process of GMP Equalisation and GMP Conversion is complex so we have broken it down for you here.

**Please read this information carefully.**

### WHY IS GMP EQUALISATION TAKING PLACE?

Workplace pension schemes have different classifications of benefits depending on when they were earned. One of these is called GMP (“Guaranteed Minimum Pension”). GMP is the minimum amount of pension that an employer had to provide through its pension scheme for any employees that were members of the employer’s pension scheme and contracted out of (i.e. not earning benefits in) the State Earnings-Related Pension Scheme (SERPS) between April 1978 and April 1997.

Historically, male and female UK pension scheme members may have earned different levels of GMP benefits. This is because the rate at which GMP was built up and the rules around how it increased were different for men and women. Following a High Court judgment in October 2018, UK pension schemes are now required to review any GMP benefits that their members earned between 17 May 1990 (the date it was deemed that pension schemes must treat men and women equally) and 5 April 1997 (when GMPs stopped being built up). Where members earned lower benefit entitlements in that seven year period as a result solely of the way in which the law at the time treated their sex, pension schemes are now required to correct this. This process is known as ‘GMP Equalisation’.

### WHAT IS GMP EQUALISATION?

GMP Equalisation involves a calculation to compare the value of male and female GMP benefits earned between 17 May 1990 and 5 April 1997. An adjustment will then be applied to any member whose benefits are currently lower in value than they would have been had they been of the opposite sex.

### WHAT IS GMP CONVERSION?

Following GMP Equalisation and any benefit adjustment that a member is entitled to as a result of it, GMP Conversion involves converting all GMP benefits that a member has in the Scheme into very similar non-GMP benefits of the same value. Overall, members’ benefits after GMP Conversion will be of at least the same value as before, which will be certified by the Scheme’s actuary. During the course of this process, the inequality between male and female GMP benefits will be removed.

### HOW WILL GMP CONVERSION AFFECT MY BENEFITS?

GMP Conversion will not reduce the total amount of pension that a member or Dependant receives, and broadly the portion of your benefits that were GMP benefits will continue to increase at the rate they do currently.

Legislation governing GMP Conversion requires that, where a member’s GMP benefit has been converted, the Scheme must provide a certain minimum level of benefits to any surviving spouse or civil partner on that member’s death. For the majority of Scheme members, the Scheme benefits already meet this minimum requirement. However, in some cases, this minimum requirement may be higher than the benefit that would otherwise have been provided to a spouse/civil partner under the rules of the Scheme. In these cases, the Scheme will provide an uplift to the spouse or civil partner’s benefit to meet the minimum requirements. In no circumstances will a contingent dependant’s benefit be reduced as a result of GMP Conversion.

### TAX IMPLICATION OF GMP CONVERSION

The Trustee has taken advice on GMP Conversion and seeks to implement a GMP Conversion exercise that ensures any member with Lifetime Allowance protection does not lose this as a result of the conversion and any impact on Annual Allowance for deferred members is minimised.

**If you think you have Lifetime Allowance protection, or think you are close to your Lifetime Allowance limit (see further below) it is important that you get in touch with the Scheme Administrator as soon as possible.**

For any individuals that may go above the Lifetime Allowance Limit an additional tax charge will apply to the additional pension above this limit. If applicable, we will confirm to you any additional Lifetime Allowance used in respect of your benefits under this Scheme as a result of the GMP conversion exercise.

### **In light of the COVID-19 pandemic, is now the right time to do this?**

GMP Equalisation is required by law. The Trustee wishes to reflect GMP Equalisation in members' pensions as soon as possible. GMP Conversion is not required by law, but it is one of the methods for implementing GMP Equalisation and removing the inequality between male and female GMP benefits which has been endorsed by the High Court. The Trustee and the Company also wish to carry out GMP Conversion to simplify the administration of the Scheme. There is no impact as a result of COVID-19 to the process of GMP Equalisation or GMP Conversion.

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### **LIFETIME ALLOWANCE PROTECTION – HAVE YOU GOT IT?**

The Lifetime Allowance is the maximum amount you can accumulate in all of your pension arrangements combined over your lifetime, before incurring a tax charge. It includes the value of any benefits that you are entitled to from this Scheme, as well as any other pension savings or entitlements that you have, excluding any State pension. You might have applied for "Lifetime Allowance protection" from HMRC at some point in the past if you were expecting to go over the limit.

This will not be relevant for most members because the Lifetime Allowance is quite large (£1,078,900 for the 2021/22 tax year).

However, if you think you may have applied for Lifetime Allowance protection, or you may be close to the Lifetime Allowance limit, please contact the Scheme Administrator using the contact details on page 2.

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