

**PRIVATE AND CONFIDENTIAL**

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

Rec Num

18 June 2021  
Member reference: **Member reference**

## Important information about your pension benefits CSC COMPUTER SCIENCES LTD 2005 PENSION SCHEME

Dear **Title Surname**,

Following on from my previous letter to you in early April 2021, when I informed you about some upcoming proposed changes in relation to members' **GMP** benefits in the **Scheme**, I am writing to you now with the **Trustee's** decision regarding implementing GMP Conversion.

### IN SHORT...

**The GMP consultation has now ended** and we would like to thank everyone who got in touch to ask questions and provide their thoughts in relation to GMP Conversion. After considering all the comments received, **the Trustee has decided to implement GMP Conversion in the Scheme.**

The overall value of your current pension entitlement and dependant's benefits will not be reduced as a result of GMP Conversion.

**If you have an Lifetime Allowance (LTA) Protection and have NOT already contacted us with details, please refer to page 2.**

### WHAT HAPPENS NEXT?

All Scheme members' GMP benefits will be reviewed and converted into non-GMP benefits.

If your Scheme benefits are affected by GMP Rectification, GMP Equalisation or GMP Conversion (see the Appendix for details), we will let you know the impact on your benefits in line with the timings set out below:

- › **For members and dependants receiving a Scheme pension in December 2020**, we will 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 considered in late 2021 / early 2022 and we will provide you with details of any personal impact on your Scheme pension benefits at that time.
- › **For members who have not started receiving their pension**, GMP Conversion for your benefits will be considered in late 2021 / early 2022 and we will provide you with details of any personal impact on your Scheme pension benefits.

---

### TERMINOLOGY

#### TRUSTEE

DXC Pension Trustee Limited

#### GMP

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

#### SCHEME

CSC Computer Sciences Ltd  
2005 Pension Scheme

---

## YOU MAY NEED TO TAKE ACTION IF...

---

### You have LTA Protection and have NOT already contacted us with details

The April 2021 GMP Consultation letter stated an incorrect LTA limit for the 2021/22 tax year. The **LTA limit for the 2021/22 tax year is £1,073,100** (as announced by the Chancellor in March 2021) and not £1,078,900 as stated in the letter.

**If you have LTA Protection and have NOT already contacted us with details then please do so immediately** (contact details below) with the following information:

- > Full name
- > Address, including postcode
- > Date of birth
- > National Insurance number (or pension number if you are receiving a pension)
- > LTA protection reference number (if applicable).

The Trustee is required by law to ensure that all Scheme members' benefits comply with GMP Equalisation so, where applicable, pension changes will be applied to members' benefits. However, the Trustee will ensure that no member will lose any LTA Protection due to the application of GMP Conversion in the Scheme, which is why we are requesting that you let us know if you have this.

In the meantime, if you have any questions about the changes in relation to your GMP benefits in the Scheme, or you need to update any of your details that are held by the Scheme, please get in contact using the below details.



### CONTACT DETAILS

Via email: [DXC.Pensions.Projects@mercer.com](mailto:DXC.Pensions.Projects@mercer.com)

Or in writing at: DDT/CSC/AL, Westgate House, 52 Westgate, Chichester PO19 3HF, UK

Thank you for taking the time to read this letter.

Yours sincerely,

Mark Greenhalgh  
Chair of the Trustee

'CSC Computer Sciences Ltd 2005 Pension Scheme' is the legal name of the Scheme; however, it is intended that this will change to 'DXC Pension Plan' later in the year.

# 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.

---

### **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 (£1,073,100 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 us using the contact details on page 2.

---