

General Information

Transvas Profiler: Entering GMP Bridge

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What is a GMP Bridge?

Please refer to the Knowledge Base article “Transvas Profiler: GMP Bridge” for a full explanation.

In short the GMP Bridge is a pension the scheme pays that represents the GMP the member has accrued in the scheme, but is paid when the member retires prior to GMP age. It ceases at GMP age and the full GMP is paid in its place.

Examples of GMP Bridges

The most common example is:

- 1) GMP revalued from date of leaving to retirement, at the same rate as the GMP is revalued to GMP age (most commonly Fixed Rate), but with revaluation applied every 6th April rather than the number of complete tax years.

Other examples:

- 2) GMP at date of leaving, with no revaluation
- 3) GMP is revalued from date of leaving at the same rate as the pre 97 excess pension

In all these examples, if the member is retiring before the scheme’s normal retirement age, an early retirement factor is likely to apply to the GMP bridge.

How do I input this into Transvas?

In simple terms, the GMP bridge is just another slice of pension. It behaves differently from all the other slices as it will always cease at GMP age, therefore it has its own **Slice Types** “**GMP Bridge**” and “**GMP Bridge Auto Valued**”.

If you know how the GMP bridge behaves then you can choose to add a GMP Bridge slice (or more than one if the scheme treat parts of the GMP differently on retirement before GMP age – for example for equalisation).

Simply enter the slice inputs the same as you would for any other slice and set the **Slice Type** to “**GMP Bridge**”. The validation system protects you by advising if there is an input that does not make sense for a GMP bridge slice and will not let you run the Transvas Report.

GMP Bridge

Enter the Pension Amount as the GMP amount that applies to that particular slice – usually the total of all Pre and Post 88 GMP slices.

GMP Bridge Auto Valued

Some users may find it odd to have to enter the GMP amount in both the main Pre 88 GMP or Post 88 GMP slices and again in the GMP Bridge Slice, therefore a second **Slice Type** exists “**GMP Bridge Auto Valued**”.

You will still need to set the relevant slice inputs on the **Basic Information** and **Retirement & Cash Factors** tabs, the same as you would for any other slice, but you do not need to enter the **Pension Amount** and **As At Date**. The system will use the amounts from the main GMP slices.

Can Transvas assume the GMP Bridge?

The validation system within Transvas Profiler can make assumptions about the GMP bridge if you choose not enter any details about it.

The assumption made will be in line with example 1) above.

Therefore, if you do not know how the scheme treats GMP or you do not wish to enter the details, Transvas will create its own GMP bridge and revalue it in line with the main GMP to retirement age (using 6th Aprils rather than Tax Years).

Where there is Pre 88 GMP or Post 88 GMP and no GMP Bridge slice has been entered, there is only one scenario where the system will not create a GMP bridge:

On the **Scheme Information** screen, under **Contracting Out** there is an input labelled **GMP Bridge**. If this is set to “No” Transvas will not pay a GMP bridge at all.

This is an extremely rare scenario, therefore, unless you have absolute confirmation that the scheme does not pay anything at all in relation to GMP until GMP age, it is advisable to leave the system to default or set up the GMP bridge slice manually.