

## **GMP Reconciliation Guidance for PPF Schemes**

### **Membership Reconciliation**

Where mismatches occur between a scheme's records and NISPI's records, the scheme should undertake '**one pass**' to reconcile members with NISPI records. If the scheme can resolve the query by 'one pass', they should take appropriate action as per their current process e.g. accept GMP liability for member or present conclusive evidence to NISPI in order for them to correct their records.

However, if the scheme cannot resolve the query via 'one pass', the records should be fixed as indicated below under '**Resolving differences during reconciliation of members**'.

By 'one pass' we mean a reasonable attempt in each case to resolve the issue and, where appropriate, agree any changes with NISPI. We will look to the trustees to agree with administrators what constitutes a reasonable attempt in the circumstances of each case. However, the expectation is that trustees avoid carrying out multiple attempts to resolve a query by the same method, for example, multiple searches of the same files or multiple chasers to a member they are trying to contact.

When considering if records are correct, schemes should take into account the most recent contact with members, data reconciliation/tracing exercises and scheme events such as a change in administrators or corporate activity that has impacted data integrity.

Where the scheme has an address for the member (either on record or through the scheme tracing exercise), if they are unable to resolve the query otherwise, they should write to the members to ask for information to assist. We would expect this to be completed during the assessment period. Any cases where a response is not received should not hold up the scheme transferring to PPF. Unresolved issues will be taken up by the PPF post scheme transfer.

Please note, where appropriate, if an under or over payment is identified, as part of resolving a query, scheme should liaise with your Scheme Delivery Associate to resolve the issues as appropriate.

### **Resolving differences during reconciliation of members**

- **Member on scheme records but not on NISPI records - "Not on NICO"**

<p>Scheme records checked and considered correct (GMP liability thought to lie with the scheme) but evidence not conclusive</p>	<p>Assume member is in the scheme, continue making payments (where applicable).</p> <p>Discuss with Scheme Delivery Associate and take the following action:</p> <ul style="list-style-type: none"> <li>• Create a record on the DIL as normal</li> <li>• A note should be added to the DIL in the notes column as follows: -</li> </ul> <p><i>"Member GMP not reconciled with NISPI. GMP at DOL £xx pre 88, £xx post 88, revaluation method x".</i></p>
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	<ul style="list-style-type: none"> <li>• Proceed with remainder of scheme reconciliation, update shared workspace confirming members reconciled with NISPI and scheme transferred to PPF so that NISPI close the file. This will involve members being removed by the scheme from Shared Workspace, who were previously being shown as a liability against the scheme. Trustees should agree with their administrators how they can do this in the most cost effective manner.</li> </ul>
<p>Scheme records checked and considered to be incorrect (i.e. GMP liability thought not to lie with the scheme) but evidence is not conclusive</p>	<p>For example, this could be a reasonable conclusion due to scheme data issues, no response resulting from contact with member or a lack of substantive evidence of a transfer out.</p> <p>Actions:</p> <ul style="list-style-type: none"> <li>• Scheme correct records to show member as no longer a liability and ensure data/overpayment (where applicable) issues are resolved pre transfer.</li> <li>• Proceed with remainder of scheme reconciliation, update shared workspace confirming members reconciled with NISPI and scheme transferred to PPF so that NISPI close the file.</li> </ul>

• **Member on NISPI records and not on scheme records – “Not on Admin”**

<p>Scheme records checked and considered to be incorrect (i.e. GMP liability thought to lie with scheme) but evidence not conclusive</p>	<p>For example, this could be a reasonable conclusion due to scheme data issues.</p> <p>Actions:</p> <ul style="list-style-type: none"> <li>• Scheme to create record on the DIL for member with as much data as possible.</li> <li>• If there is insufficient data to complete a minimal DIL discuss with your Scheme Delivery Associate to agree how members should be captured on the DIL.</li> <li>• Proceed to reconcile GMP amounts to within tolerance as per the process below under '<b>Reconciliation of GMP amounts</b>'.</li> <li>• Proceed with remainder of scheme reconciliation, update shared workspace confirming members reconciled with NISPI and scheme transferred to PPF so that NISPI close the file.</li> <li>• PPF will feed this in to further existence checks and member tracing exercises.</li> </ul>
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Scheme records checked and considered correct (GMP liability thought not to lie with scheme) but evidence not conclusive

For example, where NISPI do not accept evidence that member no longer has a GMP liability attached to the scheme.

Actions:

- Scheme to add member to the GMP Reconciliation Spreadsheet, using GMP data and information from NISPI that is held on shared workspace.
- Do not add to the DIL.
- No reconciliation of GMP amounts required as NISPI data accepted at this point.
- Send the GMP Reconciliation Spreadsheet to your Scheme Delivery Associate via Repliweb. This information will be held in case the member approaches the PPF in the future.
- Proceed with remainder of membership reconciliation, update shared workspace confirming members reconciled with NISPI and scheme transferred to PPF, so that NISPI close the file.

## **Reconciliation of GMP amounts**

### **Tolerance for reconciliation of GMP amounts**

Schemes in PPF assessment should adopt a £2 per week tolerance. The scheme's figures should be reconciled against NISPI's records as at cessation date.

Where there are differences within tolerance, the scheme's record should remain unchanged i.e. PPF compensation will be based on the scheme's GMP figures.

The scheme should agree NISPI's figures on shared workspace to allow NISPI to close their records.

Please note that it is not necessary to undertake any action to reconcile records on cases where the difference in GMP figures, as at cessation date, are within tolerance. The scheme's figures can be accepted with no further investigation.

The only exception to the above is where the scheme can see clearly from their records, without any further investigation, that NISPI's figures are correct and the reason why, in which case they can amend the scheme records to reflect NISPI's figures.

### **Resolving differences over tolerance: NISPI or Scheme figures?**

Where a mismatch occurs that is over the £2 per week tolerance, the scheme should undertake a check of their records.

The scheme should apply the same 'one pass' approach, as referred to above under '**Membership Reconciliation**', to investigate these cases.

If the scheme finds conclusive evidence that their records are incorrect, the scheme records should be corrected. If they find no error in their records and can provide conclusive evidence to back up the scheme figures, this should be sent to NISPI and the scheme records can remain unchanged.

If the scheme has no evidence or NISPI do not accept the updated evidence that the administrator has provided, the scheme's GMP amount should be recorded on the DIL and a note added as follows: -

*"Not reconciled. GMP £xx pre 88 £xx post 88, rev method x as at DD/MM/YY. NISPI total £xx at DD/MM/YY".*

The scheme can then agree NISPI's amount in shared workspace, without correcting their records, and the reconciliation query will be closed.

This means, if a future query arises, the PPF will hold the scheme data on the DIL and can contact NISPI at that point if further investigation is required.. Therefore PPF can base its decision to resolve the query using both sets of data.