

Broad comparability

News story

Broad comparability assessments, which relate to protecting future pension rights, will resume in full later this year.



Pensions experts at the Government Actuary's Department (GAD) are set to restart 'broad comparability' assessments in full. These will resume in the autumn for service before April 2022.

This follows on from the resumption of assessments in respect of service from April 2022 announced earlier in the year.

Broad comparability

Broad comparability primarily relates to protecting future pension rights. It applies to compulsory transfers of staff within the public sector. It can also apply in other circumstances.

The policy in such transfers is generally to protect transferring staff. New employers should offer them pension benefit packages which are at least 'broadly comparable' to the pension benefits offered by their old employer.

A pension arrangement does not need to offer identical benefits to be deemed 'broadly comparable'. Instead, it must offer broadly the same range of benefits, with the same (or greater) overall value. A broad comparability assessment includes both quantitative and qualitative tests.

Restart assessments

Work on most broad comparability assessments at GAD was paused in August 2020 in response to the McCloud age-discrimination judgment. They were partially restarted earlier this year when several technical uncertainties that flowed from the remedy in response to that judgment were resolved.

Actuary Ian Boonin leads on staff transfers at GAD. He said: "Having partially restarted broad comparability assessments earlier this year, I am

very pleased that we'll soon be able to restart our broad comparability work in full for our clients.

“The remedy that followed on from the McCloud judgment will mean some of the work will be more complicated. When it comes to broad comparability assessments, we'll need to consider pre- and post-reform benefits across old and new pension schemes for affected members.”

GAD is set to restart pre-31 March 2022 assessments this coming autumn.

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