

Frequently Asked Questions – Bridging Pensions

A bridging pension can be used in several ways. This could be a State Pension Deduction, temporary pension or a GMP bridge. We have several options under the bridging pension element:

State Pension Deduction Example:

For a state pension deduction, a bridge would be added with Supplementary set to no and the benefits would be payable from NRA to SPA. This scenario has a fixed SPD of £1250.00 the value would be included in the benefits and the £1250.00 would drop off and reduce the members pension amount at state pension age.

Retirement Benefits Help

Primary Benefits for Retirement at 65 Save Cancel

Type: Bridging Pension	Date: Date of Leaving	Amount: £ 1250.00					
Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
0% <input type="button" value="▼"/>	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	0% <input type="button" value="▼"/>	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %		
<input type="checkbox"/> GMP Bridge <input type="checkbox"/> Override Benefit Name							
Supplementary to main benefits		<input type="radio"/> Yes <input checked="" type="radio"/> No					
Payable from:	<input checked="" type="radio"/> NRA	<input type="radio"/> Age :	<input type="radio"/> Specify Date :	<input type="button" value="Calendar"/>			
Payable to:	<input checked="" type="radio"/> SPA	<input type="radio"/> Age :	<input type="radio"/> Specify Date :	<input type="button" value="Calendar"/>			

Temporary Pension Example:

Below is the 2nd use for a bridging pension, this would be a temporary pension paid between 62 and 65, the supplementary is set to yes and ages have been set to pay between 62 and 65. Here the £525.00 would be revalued using RPI and paid on top of the normal pension.

Type: Bridging Pension	Date: Date of Leaving	Amount: £ 525.00					
Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
RPI <input type="button" value="▼"/>	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	RPI <input type="button" value="▼"/>	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %		
<input type="checkbox"/> GMP Bridge <input type="checkbox"/> Override Benefit Name							
Supplementary to main benefits		<input checked="" type="radio"/> Yes <input type="radio"/> No					
Payable from:	<input type="radio"/> NRA	<input checked="" type="radio"/> Age : 62	<input type="radio"/> Specify Date :	<input type="button" value="Calendar"/>			
Payable to:	<input type="radio"/> SPA	<input checked="" type="radio"/> Age : 65	<input type="radio"/> Specify Date :	<input type="button" value="Calendar"/>			

GMP Bridge

This would only be used if the scheme were not going to pay the GMP before the GMP age, or if the scheme were to treat the GMP as excess before GMP age. You would enter this when using the 'Ignore until GMP age' flag.

Supplementary to main benefits (yes)

This option would be used if the amount being entered was an additional pension payment.

Supplementary to main benefits (no)

This option would be used if the amount entered is to be deducted from the client's pension benefits at SPA i.e. a State Pension Deduction

Bridging pension examples:

Here are some live scenarios (Normal retirement age is 65, desired retirement is 60, GMP age will be 65(male member)

The software will pay all benefits due at 65 and 62 – for the GMP at age 62 member will receive GMP revalued from DOL @6.25% until age 62, early retirement reduction will NOT apply to GMP

At GMP age the member will receive an uplift on the GMP that he would have missed in this case it will be 3 years at 6.25% less the increase in payment (cpi 3%)

Retirement Benefits Help

Primary Benefits for Retirement at 65 Add Benefit

Type: Post 88 GMP	Date: Date of Leaving	Amount: £ 2000.00					
Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
6.25	<input type="checkbox"/> %	<input type="checkbox"/> %	CPI	<input type="checkbox"/> %	<input checked="" type="checkbox"/> 3 %	5	50
<input type="checkbox"/> Ignore until GMP age <input type="checkbox"/> Override Benefit Name							

Excess (pre 97) Add Benefit

Type: Excess (pre 97)	Date: Date of Leaving	Amount: £ 2500.00					
Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	5	50
<input type="checkbox"/> Override Benefit Name							

Excess (post 97) Add Benefit

Type: Excess (post 97)	Date: Date of Leaving	Amount: £ 1750.00					
Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	5	50
<input type="checkbox"/> Override Benefit Name							

Early Retirement Add Benefit

Percentage Reduction	Pension Amount	Factor
Percentage Reduction at Age 62	3.00 %	Annual
Having been revalued to		
<input type="radio"/> Age 62 <input checked="" type="radio"/> Age 65		
Earliest age without penalty		
62		

Below is the same scenario but the Ignore until GMP age button has been ticked, here the software will not pay any GMP until GMP age (65) – once the member hits 65 the full revalued GMP will be due.

Retirement Benefits

[Help](#)

Primary Benefits for Retirement at 65

[Add Benefit](#)

Type: Post 88 GMP	Date: Date of Leaving	Amount: £ 2000.00					
Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
6.25	<input type="checkbox"/> %	<input type="checkbox"/> %	CPI	<input type="checkbox"/> %	<input checked="" type="checkbox"/> 3 %	5	50
<input checked="" type="checkbox"/> Ignore until GMP age <input type="checkbox"/> Override Benefit Name							

Type: Excess (pre 97)	Date: Date of Leaving	Amount: £ 2500.00					
Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	5	50
<input type="checkbox"/> Override Benefit Name							

Type: Excess (post 97)	Date: Date of Leaving	Amount: £ 1750.00					
Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	5	50
<input type="checkbox"/> Override Benefit Name							

Early Retirement		<input checked="" type="radio"/> Percentage Reduction	<input type="radio"/> Pension Amount	<input type="radio"/> Factor
Percentage Reduction at Age 62	3.00	%	Annual	Having been revalued to
		<input type="radio"/> Age 62 <input checked="" type="radio"/> Age 65		
Earliest age without penalty 62				

Bridging pension examples:

The below is a GMP bridge where the GMP is treated as excess prior to GMP age, a bridging pension has been added and GMP Bridge has been ticked. The value and date are the same as the Post 88 GMP but the revaluation in deferment and payment are the same as the excess.

Here the software will pay all benefits at age 62 including the GMP bridge revalued at RPI, any early reductions will apply to the GMP bridge, and a franking test will be carried out at age 65 to see if the member has missed any GMP that is due.

Retirement Benefits

Primary Benefits for Retirement at 65

Type: Bridging Pension Date: Date of Leaving Amount: £ 2000.00

Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	RPI	<input type="checkbox"/> %	<input type="checkbox"/> %		
<input checked="" type="checkbox"/> GMP Bridge <input type="checkbox"/> Override Benefit Name							

Type: Post 88 GMP Date: Date of Leaving Amount: £ 2000.00

Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
6.25	<input type="checkbox"/> %	<input type="checkbox"/> %	CPI	<input type="checkbox"/> %	<input checked="" type="checkbox"/> 3 %	5	50
<input checked="" type="checkbox"/> Ignore until GMP age <input type="checkbox"/> Override Benefit Name							

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Type: Excess (pre 97) Date: Date of Leaving Amount: £ 2500.00

Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	5	50
<input type="checkbox"/> Override Benefit Name							

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Type: Excess (post 97) Date: Date of Leaving Amount: £ 1750.00

Deferment Reval	Apply Min	Apply Max	Inc in Payment	Apply Min	Apply Max	Gtee	% DAR
RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	RPI	<input type="checkbox"/> %	<input type="checkbox"/> %	5	50
<input type="checkbox"/> Override Benefit Name							

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Early Retirement Percentage Reduction Pension Amount Factor

Percentage Reduction at Age 62 %

Having been revalued to Age 62 Age 65

Earliest age without penalty