

## **Financial Assistance Scheme – information required by 12 November 2004**

### **1 WHAT IS THE “FAS”?**

On 14 May 2004, the Government announced that £400 million would be made available to fund a Financial Assistance Scheme (FAS).

The intention is to offer help to people who will not be eligible for benefits under the new Pension Protection Fund (when it comes into being in April 2005), but who have lost out financially because their defined benefit (DB) pension scheme has wound-up with insufficient assets. Details of the FAS are still being developed through consultation with stakeholders and it is still unclear precisely which individuals it will assist. (Initial indications were that the FAS would be aimed at schemes wound up recently with an insolvent employer.)

### **2 INFORMATION REQUESTED BY 12 NOVEMBER 2004**

In its press release of 4 October 2004, the Department for Work and Pensions (DWP) has asked “professionals” involved in winding-up underfunded DB schemes (both now and in the past) to provide it with information relating to those schemes through an online questionnaire. The DWP is keen to receive this information by 12 November 2004. However, it will be possible for schemes to submit this information at a later date.

The Government is still considering the options for a cut-off date for the application of the FAS and also who may be caught by it. But the information provided will be used to help create a database of schemes to which the FAS might apply and to facilitate its design and implementation.

The on-line questionnaire can be found on the DWP’s website at [www.dwp.gov.uk/fas](http://www.dwp.gov.uk/fas).

The information should be submitted by the independent trustee, scheme actuary or scheme administrator (the DWP’s “professionals” for this purpose). The DWP recommends that professionals involved in each scheme liaise with each other to ensure agreement on the data to be submitted.

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**3 FORMAL REGISTRATION LATER**

A formal registration process is envisaged for the FAS, which will take place once it is up and running. It is unlikely that schemes will need to re-submit information which they provide now in response to the questionnaire. But they will be required to confirm the continuing validity of this information and probably have to supply individual member data (for example, details of ages and entitlements etc.). A scheme's eligibility for the FAS will then be assessed.

The suggestion is that the possible advantage of providing information now is that payments may be made to those schemes more quickly.