

Financial Assistance Scheme

Trustee Update – dated 6 July 2009

This update is for Trustees, Administrators and members of FAS Qualified schemes. Please make its contents available to colleagues within your organisation.

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| Subject: Extension to FAS Survivor Provision | |
| The Draft Financial Assistance Scheme (Miscellaneous Provisions) Regulations 2009. | Financial Assistance Scheme (FAS) PO Box 702 York YO32 9XR Tel: 0845 6019941 Email: FAS-Operational-Unit@dwp.gsi.gov.uk |

Nominating Partners

In the last Trustee Update issued on 11 June 2009 we made you aware of proposed changes to the FAS survivor provision which would extend entitlement to certain partners. The changes are currently before Parliament awaiting debate and consideration for approval and, subject to that approval, should come into force in July 2009. This update provides further information on the eligibility criteria for partners, explains the nomination process (including a nomination template) and describes the recommended action for trustees/scheme managers.

The definition of a 'partner' for FAS purposes means a person of either sex who is not married to, or in a civil partnership with, the FAS qualifying member and who is living with the member as if that person and the member were husband and wife, or civil partners.

Eligibility for a surviving partner to receive assistance is dependent on the member's schemes rules permitting such payments, whether this is explicitly stated or at the discretion of the trustees.

A member of a scheme that allows for such payments who wishes that partner to receive assistance following their death can nominate that partner. A nomination is of particular relevance if the member is also married or in a civil partnership as without a valid nomination, FAS would pay the spouse or civil partner and not a surviving partner following the member's death.

A valid nomination is a signed written notice nominating a partner as the qualifying member's survivor. An existing nomination to the member's scheme will be accepted, where schemes operate such a system. Alternatively a

nomination can be made directly to the FAS Scheme Manager using a nomination template. Members can request a template from the Trustees of the scheme and will also be available to download from the FAS website www.dwp.gov.uk/fas.

It is possible for a partner to receive assistance on the death of a qualifying member without a nomination but only if there was no spouse or civil partner and the following criteria are met:

- the member's scheme rules provided for partners;
- the partner was living with member immediately before their death; and
- the partner can prove they were financially dependent or interdependent on the member.

The annex below provides a covering letter, Q&A and nomination template that can be issued to members on request

Action for trustees

- a) Trustees and scheme managers are asked to communicate the proposed change to the members of those schemes with rules that provide for partners (including those that allowed survivor pensions to partners at the discretion of trustees) and inform the members to contact the trustees/scheme manager to obtain further information and a nomination template - this can be done as part the normal communications with members and there is no requirement to undertake a specific communication exercise;
- b) Trustees and scheme managers are asked to issue the covering letter, Q&A and nomination template to members on request.
- c) No action is required in respect to eligible dependent children as they will only be entitled to FAS payments if they meet the relevant criteria when the member dies. Details on dependants will be sought on the death of the member.

Contact Details

If you have any queries about the information in this update, please do not hesitate to contact the FAS Operational Unit on 0845 6019941, or by email to FAS-OPERATIONAL-UNIT@DWP.GSI.GOV.UK . Alternatively you can visit the FAS website at DWP.gov.uk/FAS. If you would like on going advice during wind up, please contact your PPF caseworker.

Yours Sincerely

FAS Operational Manager



Financial Assistance Scheme

HM Government

through the Department for Work and Pensions

Our address

FAS
PO Box 702
York
YO32 9XR

Our phone number 0845 601 9941

Our fax number 01904 605096

Textphone (speech/hearing difficulties)
0845 601 9942

International Calls (+44) 1904 702230

Office opening hours 9.00am to 5.00pm

Dear Scheme Member

FINANCIAL ASSISTANCE SCHEME: Nominating a Partner for Survivor Assistance.

You recently made an enquiry to your scheme trustee about provision for the Financial Assistance Scheme (FAS) to make payments to an eligible partner in the event of the death of a qualifying member. Subject to Parliamentary approval, we expect these provisions to come into force during Summer 2009.

Eligibility for a surviving partner is dependent on the member's pension scheme rules permitting pension payments to a partner and may depend on whether that partner has been nominated by the member. In particular, where the member is also married or in a civil partnership, only the spouse or civil partner would be entitled to the survivor assistance payments unless there is a valid nomination in favour of the surviving partner (see annex for further details).

If you are married or in a civil partnership and make a nomination in respect of a partner to whom you are not married or with whom you have not entered into a civil partnership, your spouse or civil partner will not receive a FAS payment. Only your partner will be entitled to survivor assistance payments.

Our records show that the rules of your scheme allowed for survivor payments to partners. If you have such a partner and wish them to be entitled to assistance in the event of your death, subject to the legislation being agreed by Parliament, you can send the attached completed nomination template to the FAS Operational Unit at the above address.

Details of the proposed extension for survivors are set out in the annex below. If you have any questions that are not answered, please call us using the telephone number above or visit our website at www.dwp.gov.uk/fas.

Yours sincerely

Ros Sannachan (Mrs)
Head of the Operational Unit



INVESTOR IN PEOPLE

FINANCIAL ASSISTANCE SCHEME (FAS): PROVISION FOR SURVIVORS

This annex explains what will happen in the event of the death of a FAS qualifying member including:

- when assistance will be paid to spouses, civil partners and surviving partners;
- how any assistance payments will be calculated; and
- how long any assistance will be paid for.

This annex does not apply to qualifying members who are treated as qualifying members of a FAS qualifying scheme because they are receiving a survivor's pension from that scheme. The survivors of these members are not entitled to assistance.

Will my spouse, civil partner or partner receive assistance after my death?

This will depend on your circumstances. Since the introduction of FAS, a spouse or civil partner of a qualifying member has been entitled to FAS survivor assistance irrespective of whether the member's scheme rules provided for survivors. The new Regulations will extend the survivor provision to also include a surviving partner¹ who meets certain conditions and who in certain instances will receive assistance instead of a spouse or civil partner.

A surviving partner is entitled to survivor assistance only if there was provision within the member's scheme rules (including discretionary provision) to pay a survivor's pension to a partner and if the partner also meets the following criteria:

- was living with the qualifying member immediately before that member's death; and
- had been nominated by the member either to the trustees or managers of the scheme or to the FAS Scheme Manager.

It may also be possible for a partner to receive survivor assistance without a valid nomination, but only where the member did not also have a spouse or civil partner and where, in addition to the couple living together immediately before the member's death, the partner can demonstrate financial dependency or interdependency with the member.

¹ A 'partner' means a person of either sex who is/was not married to, or in a civil partnership with, the qualifying member and who is/was living with the member as if that person and the member were husband and wife, or in the case of two adults of the same sex, as if they were civil partners.

The table below illustrates what provision is required under the scheme rules for assistance to be payable to spouse, civil partner or partner.

| Entitlement under FAS Rules | Qualifying Pension Scheme Rules | | | |
|-----------------------------|---------------------------------|-------------------------------------|---|---|
| | | No provision for survivor's pension | Provision to pay survivor's pension to a spouse/civil partner only. | Provision to pay survivor's pension to a spouse/civil partner or unmarried partner. |
| | Spouse | ✓ | ✓ | ✓ |
| | Civil Partner | ✓ | ✓ | ✓ |
| Partner | ✗ | ✗ | ✓ | |

How much assistance will my spouse, civil partner or partner receive?

If your survivor is eligible as described above, assistance will be calculated as one half of 90 per cent of your expected pension (this is the pension you accrued before your scheme started to wind up, plus revaluation, all subject to a limit known as the Cap), less the amount of any scheme pension or annuity payable to them.

If you choose to receive FAS payments early because of ill health, the amount will be actuarially reduced to reflect that you are paid over a greater number of years. This will affect the amount of assistance your spouse, civil partner or partner will get when you die. They would get half the reduced amount (see the FAS III health leaflet for further details – obtainable from the FAS Operational Unit).

If you have received your FAS payments early due to severe ill health or terminal illness, this actuarial reduction does not apply.

What is a valid nomination?

A valid nomination is a signed written notice nominating a partner as the qualifying member's survivor. The FAS can accept either a record of an existing nomination to the member's scheme or a new nomination to the FAS Scheme Manager. Where multiple nominations exist from the same qualifying

member, the FAS will accept the most recently signed notice for the purposes of determining the potential beneficiary.

Can I nominate someone other than a partner?

No, only a partner that you are living with as if that person was either your husband or wife or in the case of an adult of the same sex, as if they were your civil partner, can be nominated.

I live with my partner to whom I am not married. I separated from my spouse some years ago but we have never divorced. Who will the Financial Assistance Scheme pay in the event of my death?

Where you have made a valid nomination in respect to your partner (and there is provision to pay a survivor's pension to a partner under the rules of your pension scheme), they will receive the survivor's assistance. If you have not made a valid nomination in respect to your partner your spouse or civil partner will receive the survivor's assistance even though you have separated.

I have no spouse or civil partner – just a partner - do I need to fill in a nomination form?

If you do not make a nomination, assistance may still be payable to your partner, however, your partner will need to provide evidence to the FAS Scheme Manager that they were living with you at the time of your death and evidence that they were financially dependent on you, or that you and your partner were financially interdependent.

The nomination template provides the FAS Scheme Manager with information about your partner. Where assistance is payable to a partner and a valid nomination has been made, to either the trustees of the scheme (where an existing process exists or existed) or to the FAS Scheme Manager, your partner will only have to provide evidence to the FAS Scheme Manager that they were living with you at the time of death to enable assistance payments to commence.

A nomination template is included at the end of this document.

What if my circumstances change?

If your circumstances change, please contact the FAS Operational Unit (contact details at the end of the annex) and let us know. If our records are out of date this may cause difficulties with paying assistance. You should notify us if:

- you get married or enter into a civil partnership
- you get divorced or dissolve a civil partnership
- you wish to nominate your partner or to cancel such a nomination

What does my survivor need to do following my death?

In the event of your death, the FAS Operational Unit will need to be informed by your survivor, the representative dealing with your estate or your pension scheme trustees, as soon as is reasonably possible using the contact details set out at the end of this annex.

What documents will the FAS Operational Unit need to see?

In all cases we will need to see a death certificate. Other documents may be required, depending on the deceased's personal circumstances such as:

- Marriage certificate
- Civil Registration
- Decree absolute
- Dissolution Certificate

Where the deceased had a surviving partner, additional documents may be required.

Do you need to see an original death certificate?

Certified copies may be sent instead of the original certificate. If you send a certified copy this must be signed as true copies of the original by one of the following people:

- Justice of the Peace (JP)
- Solicitor
- Other legal professional e.g. legal executive

If an original certificate is sent, these will be returned on day of receipt

PUTTING ASSISTANCE INTO PAYMENT

How is assistance put into payment?

Upon notification of your death a form (FAS A2S) will be sent to the person who has informed us – for example your spouse, civil partner or surviving partner, or the representative dealing with your estate. The form sets out what information should be provided to the FAS Operational Unit.

PROTECTED ENTITLEMENT AND PAYMENTS FOR PAST PERIODS

I am currently receiving survivor assistance as a spouse, although I was separated from my husband and he was living with a partner. Will my payments stop?

No. If you are already in receipt of survivor assistance, your payments will continue to be paid.

My deceased partner was in a FAS qualifying scheme but I was not eligible for FAS because we were not married. Will I now receive FAS?

Whether you receive assistance will be dependent on meeting the following conditions:

- your partner's pension scheme rules provided for a pension to be paid to a partner (even if this was at the discretion of the trustees); and
- you were living with your partner immediately before the member's death; and
- **either** a nomination in your favour was made by the qualifying member to the scheme, for which a record exists **or** if the member was not married and had not entered into a civil partnership before they died, whether there is evidence of your financial dependency or interdependency with the member.

When will I receive payments from?

If you meet the above eligibility criteria, you will be entitled to assistance payments for the period from the day after the death of your partner or May 14 2004, whichever is the later. We will calculate the amount due to you once we have received all the information we need to calculate the payments. You will then receive the payments as soon as possible.

Contact Details

FAS Operational Unit
PO Box 702
York
YO32 9XR

Tel: 0845 601 9941

Website www.dwp.gov.uk/fas



Name or reference number

Nomination of a partner to receive FAS survivor assistance payments**How to complete this form:**

Please only complete the form if you have a **partner*** (**see note 1**), whom you wish to nominate to receive survivor assistance payments in the event of your death.

Do not complete the form if you are:

- **married** or
- in a **registered civil partnership**

Unless

- you are living with a partner whom you would like to nominate to receive survivor assistance instead of your spouse or civil partner.

Please complete the form in **CAPITAL LETTERS**

Once completed, the form should be signed and returned to the FAS Scheme Manager at the following address: **Financial Assistance Scheme, PO Box 702, York, YO32 9XR.**

PLEASE NOTE:

1. A **partner** means a person of either sex who is not married to, or in a civil partnership with the qualifying member and who is living with the member as if that person and the member are husband and wife; or in the case of two adults of the same sex, as if they were civil partners.
2. You are strongly advised to keep your nomination up-to-date if your circumstances change by submitting a new form to the FAS Scheme Manager.
3. Completion of this Nomination Form is not proof of entitlement to Assistance.
4. Where there was provision in the rules of your scheme to pay a survivor's pension to a partner, Assistance may be payable to your partner subject to meeting certain requirements. Please refer to the survivor fact sheet/website for further information.
5. Where this form has been completed your nominated partner will be required to provide evidence that they were living with you immediately before your death.

Part A Member's details.

| | | | |
|-------------------------------|----------------------|----------------------------|----------------------|
| Title (Mr/Mrs/Miss/Ms/Other): | <input type="text"/> | | |
| Surname: | <input type="text"/> | Forenames (in full): | <input type="text"/> |
| Date of Birth: | <input type="text"/> | National Insurance Number: | <input type="text"/> |
| Telephone No: | <input type="text"/> | E-mail: | <input type="text"/> |
| Address: | <input type="text"/> | Scheme Name: | <input type="text"/> |
| | | (If known) | |
| | | Scheme Registry Number: | <input type="text"/> |
| | | (If known) | |

Part B Partner's details.

As at the date on which I signed this form the person named in this Part B was my Partner (see Note 1) and was living with me in a relationship akin to a marriage or a civil partnership.

| | | | |
|--------------------------------|----------------------|----------------------------|----------------------|
| Title (Mr/Mrs/Miss/Ms//Other): | <input type="text"/> | | |
| Surname: | <input type="text"/> | Forenames (in full): | <input type="text"/> |
| Date of Birth: | <input type="text"/> | National Insurance Number: | <input type="text"/> |
| Telephone No: | <input type="text"/> | E-mail: | <input type="text"/> |
| Address: | <input type="text"/> | | |

Part C Declaration.

We understand that, in the event of the member's death, this nomination form does not guarantee entitlement and a surviving partner will only be entitled to payments from the Financial Assistance Scheme if the relevant conditions set out in legislation are met.

We understand that these conditions include:

- (a) a requirement that the rules of the member's scheme made provision for the payment of a survivor's pension to a surviving partner (including where provision could be made at the discretion of the scheme's trustees); and
- (b) a requirement that we must be living together immediately before the member's death.

Signature of Member: _____ **Date:** _____

Signature of Partner: _____ **Date:** _____