

Financial Assistance Scheme Increasing Member Payments Bulletin Issue Number 3 – 2 October 2007

This bulletin is aimed at Trustees and Administrators as a means of providing further information and/or guidance on topics or issues raised during discussions or at meetings. Please make its contents available to colleagues within your organisation.

Subject: Contracted Out Post97 Rights	Financial Assistance Scheme (FAS) PO Box 702 York YO32 9XR Tel: 0845 6019941 Email: FAS-Operational-Unit@dwpgsi.gov.uk
<p>Contracted Out Post97 Rights – Have you included them for your Members?</p> <p>From 06/04/97, GMPs no longer accrued for members, and all rights accrued after this date were treated as Post97 contracted out rights. These rights revalue at least in line with RPI. You may also know these as ‘Section 9(2B)’ rights.</p> <p>We have identified some schemes where the administrator/trustee has not included the Post97 rights for members. This is a problem during the FAS assessment as it means that a member’s expected pension will be lower than in reality and as a result mean they may receive less FAS. This oversight is more likely to occur for deferred members.</p> <p>This will only apply to those contracted out schemes where members had active pensionable service beyond 06/04/97.</p> <p>We are therefore asking all trustees and administrators to double-check S1s where this may have occurred, and if Post97 rights have been missed on data already sent to us, to provide the FAS Operational Unit with the Post97 values accrued to the end of service.</p> <p>For future reference, the Post97 rights accrued to the end of service should be included in column AH of the S1 (‘Annual rate of pension in excess of GMP which is subject to revaluation within scheme rules as at date of leaving active service’). This column should also include any Pre97 excess benefits accrued by that member to the end of active service.</p> <p>We would welcome your feedback regarding this communication and whether you consider it beneficial. If you consider there is a topic or issue you would like included please let us know. Our email address is at the top of this bulletin.</p>	

Helping You to Help Us Increase Payments