

Financial Assistance Scheme Increasing Member Payments Bulletin Issue Number 1 - 11 September 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.

Subject: Transfers and Trivial Commutation	Financial Assistance Scheme (FAS) PO Box 702 York YO32 9XR email: FAS-Operational-unit@dwp.gsi.gov.uk
<p>Transfers:</p> <ul style="list-style-type: none">• Provisional (partial) - FAS can make initial payments to members who have taken partial transfers (i.e. transfers that may be topped up at the end of wind up). In such cases FAS will convert the amount of transfer into a notional pension by applying actuarial factors at the date the transfer was paid. The notional pension will then be topped up to broadly equivalent to 80% of the members' 'core expected pension'. Please refer to the FAS P4 – For Initial Payments for guidance on data to be provided on form S1.• Full and Final - FAS can make final ('annual') payments to any member whose benefits have been fully discharged during wind up. Data for such members should be submitted at the earliest opportunity. Again FAS will look to top up to 80% of a members' 'core expected pension'. Please refer to the FAS P4 – For Annual Payments for guidance on data to be provided on form S1. <p>Trivial Commutation:</p> <p>Trivial Commutations are in every respect treated by FAS like Lump Sums when calculating a FAS award. We will do this by converting the lump sum into a 'notional annuity rate'. This 'notional annuity rate' will then be subtracted from 80%, 60% or 50% (depending on the qualifying group to which they belong) of the member's core expected pension to provide the value of the FAS annual payment.</p> <p>Please Note: Recently announced change to FAS extend the eligibility criteria to all members of affected schemes.</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>	