Financial Assistance Scheme – FAS P4 – For Initial Payments

**Important** – Please read these guidance notes in conjunction with the form S1 as they will tell you what you need to know to help you complete it.

**Why we have sent you form S1**

You have been sent this form because form FAS A1 has been completed and the pension scheme notified is a qualifying scheme for the purposes of the Financial Assistance Scheme (FAS). We understand that the scheme has not yet completed wind-up.

Where a scheme is still winding up and unable to provide us with final information on scheme members and survivors, the FAS Scheme Manager has the discretion to make initial payments to eligible qualifying members, generally at an initial rate based on 60% of their ‘expected core pensions’ (subject to FAS rules). Initial payments can also be made to eligible survivors of qualifying members.

Initial payments can only be made at the request of trustees. The information required to support requests for initial payments should be provided on the S1 form. On the basis of this information we will make a determination of member or survivor eligibility and, where appropriate, assess the amount of assistance payable.

**Who you should tell us about**

At this stage you should **only** provide data in relation to those members or survivors for whom you would like to request initial payments.

Requests for initial payments should only be made on behalf of those people who are likely to receive a full-rate FAS payment (an ‘annual payment’) after scheme benefits have been finalised. When ‘annual payments’ are determined we will take account of any initial payments that have already been paid. And those initial payments may be recoverable if we find that the member or survivor is not in fact entitled to annual payments. Further information on FAS eligibility rules can be obtained from the FAS Operational Unit or from the FAS website at [www.dwp.gov.uk/fas](http://www.dwp.gov.uk/fas).

Once the S1 information is received, we will make a decision on individual eligibility and, where appropriate, calculate the amount of initial payment they will receive. Once eligibility has been assessed and payments determined, we will deal directly with individual members or survivors. However, until a decision has been made, trustees and administrators should keep them informed of any dealings with us and advise them that personal data is being passed to us to enable assessments to be carried out. Leaflet FAS P1 may
also be useful for members or survivors as it includes frequently asked questions to help people determine whether they might be eligible for FAS assistance. Copies are available from the FAS Operational Unit or from the FAS website at www.dwp.gov.uk/fas.

You should not provide information on any member or survivor whose benefits are money purchase only, as FAS payments cannot be made in respect of such benefits. If the scheme offers some or all of its members hybrid benefits, you should provide data that do not include any money purchase benefits. In cases of doubt please provide sufficient data and documentation to enable us to determine members’ defined benefit entitlements. Copies of any legal correspondence relating to the treatment of such members’ entitlements should also be provided where you think them relevant.

When to return this information

Please complete the relevant sections of form S1 and return the information as soon as possible. As well as the information provided on form S1 we may also require some information on the funding position of the scheme and the approach that you are taking to the payment of interim pensions. The FAS operational unit will contact you to obtain this information if this is required.

The questions on the S1 form

Please answer all the questions that apply to each individual. These guidance notes contain further details to explain what information is needed for each question and for whom.

If you want help filling in this form

If you want help filling in any part or all of this form please contact your Customer Account Manager at the Financial Assistance Scheme Operational Unit:

Financial Assistance Scheme (FAS)
PO Box 702
York
YO32 9XR

Telephone: 0845 601 9941
Textphone: 0845 601 9942
Website: www.dwp.gov.uk/fas

Opening hours: 9.00am – 5.30pm Monday to Friday

Please note that calls to the FAS may be recorded for staff training purposes and to ensure consistent service levels.
Unfortunately we are not able to assist with any costs incurred in supplying this data.

Providing the required information

At this stage you should **only** provide information on those members or survivors for whom you would like to request an initial payment. However, ultimately we will require information on all potential beneficiaries.

The Financial Assistance Scheme (Provision of Information and Administration of Payments) Regulations 2005 set out the information to be provided by ‘appropriate persons’. These include scheme trustees or managers or former trustees or managers, professional advisers or former professional advisers, members or former members of the scheme (or appointed representatives), surviving spouses or civil partners of members or former members of the scheme who have died, and insurance companies that are paying annuities to former members of the scheme. ‘Appropriate persons’ are duty bound to act in the best interests of all scheme members and beneficiaries. If some scheme members and beneficiaries are likely to qualify for FAS assistance, then the necessary information should be provided to determine individual eligibility. A person who neglects or refuses to provide information, or to produce a document when required to do so, may be guilty of an offence.

Further details of the information that we will need on all potential beneficiaries can be obtained from the FAS Operational Unit or from the FAS website at [www.dwp.gov.uk/fas](http://www.dwp.gov.uk/fas).

How we collect and use information

It is important that you let all beneficiaries know that personal data about them is being sent to us to enable us to make a decision on their eligibility for the FAS. The following information explains how we collect and use this information and you may find it useful in communications with your members.

The Department for Work and Pensions collects information for the purposes of dealing with social security, child support, vaccine-damage issues, employment and training, private pensions policy, retirement planning and the Financial Assistance Scheme. The information we collect may be used for any of these purposes.

We may check information about individuals with other information we have. We may get information about individuals from other people and certain other organisations. We may give information to certain other organisations, as the law allows, to:

- check the accuracy of information
- prevent or detect crime
- protect public funds in other ways, and
- use in research or statistics.
These other organisations include other government departments, local authorities, and private-sector bodies such as banks and organisations. We will not give information about individuals to anyone outside our department unless the law allows us to.

The Department for Work and Pensions is the data controller for the purposes of the Data Protection Act.

If you want to know more about what information we hold, or the way we use information, please contact us. You can contact any of our offices and ask for leaflet **GL33 Data Protection Act 1998 – It affects you.** Or you can find a copy of the leaflet on our website. The address is [www.dwp.gov.uk](http://www.dwp.gov.uk)
Guidance for completing form S1 in relation to initial payments

This guidance explains each of the S1 questions in detail. If, however, you require further assistance, please contact the FAS Operational Unit who will be happy help you.

The form displays options for completion in a drop-down menu. Please note that the fields on the form do not run in alphabetical sequence and that questions AJ, AK, AL and AR should not be completed for initial payments.

Otherwise, all questions should be completed for all members and survivors (together termed ‘beneficiaries’) unless otherwise indicated. Please also note the following:

Categorisation of beneficiaries - The categorisation of beneficiaries that applies in question Q applies throughout the form. For example, information is requested on the unreduced annual rate of pension for pensioner members. ‘Pensioner members’ here and elsewhere in this guidance refers only to those beneficiaries who were in receipt of a pension on or before the crystallisation date and not to those members who may have reached retirement age after that time.

Surviving spouses or civil partners - Requests for initial payments can be made on behalf of surviving spouses or civil partners of qualifying members who have died since the start of scheme wind-up. Requests for retrospective initial payments may also be made on behalf of the qualifying member who has died. In all cases we need you to complete a line on the S1 on the member in order to assess the eligibility of the survivor and the initial payment that may be payable to them. We also need you to complete a separate line in relation to the survivor. We have indicated below where information is not required in relation to a survivor for whom a member record has been or is being provided.

Members who have taken provisional (partial) transfers – We can make initial payments to members who have taken partial transfers (ie. transfers that may be topped up at the end of wind-up). In such cases we will convert the amount of transfer into a notional pension by applying actuarial factors as at the date the transfer was paid. The notional pension will then be topped up to the appropriate proportion of the member’s ‘core expected pension’. In such cases, you should provide the partial transfer amount at question AM and the date at which the transfer was paid at AN. We will treat that date as

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1 “the crystallisation date” has the same meaning as in paragraphs (6) and (7) of regulation 4 of the Occupational Pension Schemes (Winding Up) Regulations 1996, as those paragraphs were in force on 5th April 2005.

We understand that the status of a member for the purposes of calculating the liabilities of a scheme is fixed at the crystallisation date. In some cases this crystallisation date will be the same as the wind-up date, in others the crystallisation date will precede the date of wind-up.
the certification date in relation to the initial payments request. Please also state in the notes field at AP that data is being provided in relation to a provisional transfer.

**Members who have taken full and final transfers during wind-up** – We can make final (‘annual’) payments to any members whose benefits have been fully discharged during wind-up. Please refer to the S1 guidance in relation to annual payments for further information on the data that should be provided in such cases.

<table>
<thead>
<tr>
<th>Questions</th>
<th>What needs to be provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questions A-M</td>
<td><strong>Personal details</strong></td>
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<tr>
<td></td>
<td>Please complete for all beneficiaries.</td>
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<tr>
<td></td>
<td>For question F, ‘domicile indicator’, please enter ‘GB’ for Great Britain, ‘NI’ for Northern Ireland and ‘A’ for outside the UK.</td>
</tr>
<tr>
<td>Question N</td>
<td><strong>Gender</strong></td>
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<tr>
<td></td>
<td>Please enter ‘M’ for male; ‘F’ for female.</td>
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<tr>
<td>Question O</td>
<td><strong>Date of death (where applicable)</strong></td>
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<tr>
<td></td>
<td>Please complete for all beneficiaries who have died after the start of pension scheme wind-up.</td>
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<tr>
<td>Question P</td>
<td><strong>Marital/Civil partnership status</strong></td>
</tr>
<tr>
<td></td>
<td>Please complete for all beneficiaries. Please enter ‘M’ for married; ‘C’ for civil partnership; ‘N’ for neither or ‘NK’ for not known.</td>
</tr>
<tr>
<td>Question Q</td>
<td><strong>Status of beneficiary on the crystallisation date</strong></td>
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<tr>
<td></td>
<td>Please complete the status for all beneficiaries. Please enter ‘P’ for pensioner; ‘W’ for deferred member; ‘IM’ for ‘inherited member’ or ‘S’ for survivor.</td>
</tr>
<tr>
<td></td>
<td>Beneficiaries should be categorised as follows:</td>
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<tr>
<td></td>
<td>- ‘Pensioner member’ including any member at the start of wind-up - including any pension credit benefit member - who was entitled to present payment of a pension under the scheme rules on the crystallisation date;</td>
</tr>
</tbody>
</table>
‘Deferred member’ including any member at the start of wind-up who has accrued rights under the scheme and who was not entitled to present payment of a pension under the scheme rules on the crystallisation date: this should include any pension credit member and any member who was in active service on the crystallisation date;

‘Inherited member’ including any person who was entitled to present payment of a pension under the scheme rules immediately before wind-up that was attributable to the pensionable service of a member of the scheme who died before the start of wind-up; and

‘Survivor’ including any widow, widower or surviving civil partner of a member of the scheme who died after the start of wind-up

**Question R**  
*Pension credit member*

Please leave blank if member is **not** a pension credit member.
Please complete ‘A’ – if pension credit membership started on or after the start of wind-up;
Please complete ‘B’ – if pension credit membership started **before** the start of wind-up;

**Questions S-W**  
*Details of member from whom pension rights or FAS entitlement are derived*

Please complete for all, survivors, ‘inherited members’, and pension credit members. However, if you are providing information in relation to a survivor of a member who has died since the start of wind-up and if you have completed a line on the S1 in relation to that member then you only need complete question V in this section (we require the member’s National insurance number in order to link the records of the survivor and member).

**Question X**  
*Normal retirement age*

Please complete for all beneficiaries. For ‘inherited members’, survivors and pension credit members, please enter the ‘normal retirement age’ of the original member.

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2 Pension credit members refers to those members whose rights derive from a pension sharing order.
Please provide the age specified in the scheme rules as the age at which the member will normally retire. No account should be taken of changes to individuals' retirement ages (for example, those resulting from equalisation following the Barber ECJ judgement) unless these have been specified in the rules of the scheme.

Please note that if the age specified in scheme rules has been amended since the start of scheme wind-up then certified evidence of this change must be provided with the completed S1 form.

If the normal retirement age for any beneficiary or 'original member' is over 65, please put 65.

Question Y  
**Date at which member started or will start to receive pension**

Please complete for all beneficiaries.

Question Z  
**Initial payment applicant**

Please complete for all beneficiaries.

Please complete ‘Y’ if you are making a request for an initial payment on behalf of the beneficiary; enter ‘N’ if not (for example, if you are providing data on a member only to support the initial payment request you are making on behalf of their survivor).

Question AA  
**Scheme annual interim pension amount**

Please provide the annual amount of interim pension in payment to the beneficiary as at the certification date that you provide at question AB.

In certain circumstances we have the power to deem that an interim pension is in payment where, for administrative reasons, no interim pension is actually in payment. We do this in the main to avoid making significant overpayments of FAS (otherwise if such members receive significant scheme pensions at the end of wind-up their FAS entitlement determined at that point may be less than the initial payments that would have been paid during wind-

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3 HMRC guidance states that it is a condition of tax approval that the rules of a scheme should specify a single age for each member at which that member will normally retire.
up). Please contact the FAS Operational Unit to discuss any cases in which it may be appropriate for an interim pension to be deemed. The FAS Operational Unit will advise what information should be provided in such cases.

Where no interim pension is, was or will be paid please put 0.

The amount provided should not include any money purchase benefits, or benefits derived from the payment of voluntary contributions where on the winding up of the scheme the assets of the scheme will first be applied to satisfy liabilities in respect of those benefits. The amount provided should not include any pension that has been commuted where the amount of the commutation has been provided at question AM.

Question AB  

The certification date for initial payment requests

Please provide the date as at which the interim pension amount that you have provided at AA is correct.

In broad terms, to calculate a FAS initial payment we need to compare what a beneficiary was expecting to receive had the scheme not started to wind up with what he or she is receiving, or will receive, from the scheme. As pension rights and benefits can increase over time (by application of revaluation or indexation) it is important that the ‘interim pension’ and the ‘expected pension’ correspond as far as possible to the same date.

The date as at which an ‘expected pension’ and interim pension will be compared is the ‘certification date’, and we need you to provide a certification date for each potential beneficiary. The certification date that you provide depends on the information you hold on the interim pension. **You have discretion over the certification date that you provide as long as the interim pension is correct as at that date.**

Question AC  

Unreduced annual rate of pension that would have been in payment at the certification date (to be completed only in relation to those beneficiaries in receipt of a pension on the crystallisation date)

Please complete for all pensioner members, ‘inherited members’ and pension credit benefit members.
The unreduced annual rate of pension means the amount of pension that would have been in payment at the certification date had the scheme been able to meet its benefits in full. Any indexation that would have applied up to the certification date should be included; any indexation after that date should be excluded. The amount should be pre-commutation.

Please note that you do not need to calculate the unreduced annual rate for deferred members even if those deferred members have reached retirement age during wind-up. We will calculate the ‘expected pension’ for, and in respect of, beneficiaries who were deferred members on the crystallisation date based on the information that you provide on their rights at the time they left active service.

For any pensioner member that retired before their ‘normal retirement age’, the amount should reflect any reduction that would have been made to account for their early retirement.

The amount provided should not include any money purchase benefits, or benefits derived from the payment of voluntary contributions where, on the winding up of the scheme, the assets of the scheme will first be applied to satisfy liabilities in respect of those benefits.

Questions AD to AO

Note: If you are providing information in relation to a survivor of a member who has died since the start of wind-up and you have completed a line on the S1 in relation to that member then you do not need to complete questions AD to AO (inc) for the survivor

Question AD  Date of starting active service

Please complete for pensioner and deferred members only. This question relates to the start date of pensionable service within the qualifying pension scheme.

Where there have been multiple periods of service please supply the start date of the first period of service.

Question AE  Date of leaving active service
Please complete for pensioner and for deferred members only. This question relates to the end date of pensionable service within the qualifying pension scheme.

It is essential that you provide this information for and in respect of deferred members. If you are providing information in relation to a survivor of a member who has died since the start of wind-up and if you have completed an entry in relation to that member then you do not need to complete this question for the survivor.

Where there have been multiple periods of service please supply the end date of the last period of service.

Question AF  
Annual rate of GMP \(^4\) (as at date of leaving contracted-out service)

Please complete for deferred members only.

If the member passed State Pension Age before they left contracted-out service please include any deferment enhancement up to the date that they left service.

Question AG  
GMP revaluation method

Please complete for deferred members only.

This refers to the method of GMP revaluation used by the scheme that applies to this member. This should be one of

1. section 148 orders;
2. limited rate revaluation;
3. fixed rate revaluation

Question AH  
Annual rate of pension in excess of GMP, which is subject to revaluation within scheme rules

Please complete for deferred members only. If the amount of the member’s excess rights above GMP is 0, please put 0.

The amount provided should not include any money purchase benefits, or benefits derived from the payment of voluntary contributions where, on the winding up of the

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\(^4\) “Guaranteed minimum pension” has the meaning give in section 8 (2) of the Pension Schemes Act 1993.
scheme, the assets of the scheme will first be applied to satisfy liabilities in respect of those benefits. The amount provided should only include benefits relating to pre 1 January 1985 service for leavers before 31 December 1990 where such benefits fall to be revalued under the scheme rules.

**Question AI**

*Annual rate of flat-rate pension, which is not subject to revaluation within scheme rules (as at date of leaving active service)*

Please complete for or in respect of deferred members only. *If the amount of the member’s flat-rate pension is 0, please put 0.*

The amount should include any flat-rate pension elements not subject to revaluation within scheme rules, these might include flat-rate credits provided in return for transfers-in, or, depending on your scheme rules, pre 1 January 1985 service for leavers before 31 December 1990.

The amount provided should not include any money purchase benefits, or benefits derived from the payment of voluntary contributions where, on the winding up of the scheme, the assets of the scheme will first be applied to satisfy liabilities in respect of those benefits.

**Question AM**

*Lump sum taken at retirement (or provisional transfer amount)*

Please complete for all beneficiaries (where applicable). *If no lump sum was taken at retirement and data are not being provided in relation to a provisional transfer case please put 0.*

The amount provided should exclude any amount taken in relation to money purchase benefits, or derived from the payment of voluntary contributions where on the winding up of the scheme the assets of the scheme will first be applied to satisfy liabilities in respect of those benefits.

**Question AN**

*Date at which lump sum taken (or date at which provisional transfer is correct)*

Please complete for all beneficiaries where an amount above 0 has been provided at question AM.
Question AO  

**Bridging or step up pension**

Please complete for all beneficiaries. Please complete ‘Y’ if the member is receiving or will receive a bridging pension (where an additional pension is paid between normal retirement age and state pension age which is replaced by the state pension at that age) or a step up pension (where a member retires before GMP payment age and where the pension they are receiving increases at that age); please complete ‘N’ if not.

Question AP  

**Expected and actual pension notes**

Please use this box to tell us anything else that you think we need to know relating to the beneficiary’s accrued pension rights or interim pension. Please let us know if data are being provided in relation to a provisional transfer case.