
DRAFT STATUTORY INSTRUMENTS

2009 No.

**The Financial Assistance Scheme
(Miscellaneous Provisions) Regulations 2009**

PART 2

Amendment of the FAS Regulations

Amendment of paragraph 4 of Schedule 2

- 23.** In paragraph 4 of Schedule 2 (active and deferred members)—
- (a) in sub-paragraph (1), for “on the crystallisation date” substitute “on the day before the day on which the qualifying pension scheme began to be wound up”;
 - (b) in sub-paragraph (3)—
 - (i) omit “, (3B)”;
 - (ii) after paragraph (b) omit “and”; and
 - (iii) after paragraph (c) add—
 - “and
 - (d) in any case where 14 May 2004 is later than—
 - (i) the day on which the qualifying pension scheme began to be wound up; and
 - (ii) the day on which the qualifying member attained normal retirement age,
 - the revaluation amount for the third revaluation period (see sub-paragraphs (13) to (13D)).”;
 - (c) for sub-paragraph (3A) substitute—
 - “(3A) Where—
 - (a) the annual rate of the pension determined for the purposes of sub-paragraph (3) (a) includes an amount which, under the rules of the qualifying pension scheme, was payable for a period which is shorter than the period in respect of which the remainder of the pension was payable; and
 - (b) the liabilities of the scheme in respect of the beneficiary have been discharged (whether by the purchase of an annuity or by other means) in a manner which does not provide for a reduction in the annual rate of an annuity from the date on which the amount referred to in paragraph (a) would have ceased to be payable under the rules of the pension scheme,
- the scheme manager shall determine the annual rate for the purposes of sub-paragraph (3) (a) having regard to the expected pension which would have been determined in accordance with paragraph 4A if that paragraph had applied and to such other matters as it considers relevant.”;

- (d) omit sub-paragraph (3B);
- (e) in sub-paragraph (4), for “sub-paragraph (3), (3A) or (3B)” substitute “sub-paragraph (3) or (3A) or paragraph 4B”;
- (f) in sub-paragraph (5)(b) for the words “the earlier of” to the end substitute “the day before the day on which the qualifying pension scheme began to be wound up.”;
- (g) for sub-paragraph (7)(b)(i) substitute—
 - “(i) the day on which the qualifying member attains normal retirement age;”;
- (h) in sub-paragraph (10) for “the certification date” substitute “the day from which the qualifying member is entitled to an annual payment”; and
- (i) for sub-paragraph (13) substitute—
 - “(13) The third revaluation period is the period—
 - (a) beginning on the day after the day on which the member attained normal retirement age; and
 - (b) ending on 14 May 2004.
 - (13A) The revaluation amount for the third revaluation period is—
 - (a) where that period is less than one month, nil; or
 - (b) in any other case, the revaluation percentage of the aggregate of—
 - (i) the annual rate of the pension under sub-paragraph (3)(a);
 - (ii) the revaluation amount for the first revaluation period under sub-paragraph (6); and
 - (iii) the revaluation amount for the second revaluation period under sub-paragraph (8).
 - (13B) In sub-paragraph (13A), “the revaluation percentage” means the lesser of—
 - (a) the percentage increase in the general level of prices in Great Britain during the revaluation period determined in accordance with sub-paragraph (13); and
 - (b) the maximum revaluation rate.
 - (13C) The method for determining the percentage increase in the general level of prices in Great Britain during the revaluation period determined in accordance with sub-paragraph (13) is—

$$(100 \times (A \div B)) - 100$$

where—

A is the level of the retail prices index for March 2004; and

B is the level of the retail prices index for the month two months before the month in which the qualifying member attained normal retirement age.
 - (13D) In sub-paragraph (13B)(b), “the maximum revaluation rate” in relation to the revaluation period is—
 - (a) if that period is a period of 12 months, 5%; or
 - (b) in any other case, the percentage that would be the percentage mentioned in sub-paragraph (13B)(a) had the general level of prices in Great Britain increased at the rate of 5% compound per annum during that period.”.