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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Social Security (Incapacity Benefit) Regulations 1994 (S.I. 1994/2946), the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986) (“the FAS Regulations”), the Financial Assistance Scheme (Internal Review) Regulations 2005 (“the FAS Internal Review Regulations”), the Financial Assistance Scheme (Provision of Information and Administration of Payments) Regulations 2005 (“the FAS Information and Payments Regulations”), and the Financial Assistance Scheme (Appeals) Regulations 2005 (“the FAS Appeals Regulations”).

The financial assistance scheme provides for payments to be made to, or in respect of, certain members or former members (or their survivors) of certain occupational pension schemes where the liabilities of the scheme to those people are unlikely or unable to be satisfied in full.

Regulation 2 of these Regulations amends the Social Security (Incapacity Benefit) Regulations 1994 to provide that for the purposes of section 30DD of the Social Security Contributions and Benefits Act 1992 a “pension payment” includes a payment under the FAS Regulations made to anyone who first becomes entitled to such a payment on or after the date on which these Regulations came into force.

Regulations 3 to 9 amend the FAS Regulations. In particular—

regulation 4 amends regulation 17 of the FAS Regulations to insert paragraphs (3C), (3D) and (3E) and make consequential amendments. The new paragraphs provide for a new category of annual payment; that is, they provide for payments to be made to certain persons who meet the conditions set out. This will enable certain persons who suffer from a progressive disease, and as a consequence are likely to have a reduced life expectancy, to receive a payment under the FAS Regulations earlier than they otherwise would have;

regulations 5 and 6 make minor amendments consequential on the new category of annual payment;

regulation 7 inserts new regulation 17C into the FAS Regulations. This is a transitional provision which allows certain persons, who may already be receiving a payment under the FAS Regulations, to request to receive instead the new category of annual payment. It also enables certain persons to receive the new category of annual payment in respect of a past period, provided the scheme manager is satisfied that certain conditions are met;

regulation 8 makes further consequential amendments to regulation 18 of the FAS Regulations; and

regulation 9 amends Schedule 2 to the FAS Regulations, to insert a new paragraph to provide that where a person requests the new category of annual payment under the new transitional provision, regulation 17C, any payment under the FAS Regulations already received by that person is treated as having been paid on account of the new annual payment.

Regulations 10 and 12 amend the FAS Internal Review Regulations and the FAS Appeals Regulations consequentially, to take account of the new category of annual payment.

Regulation 11 amends the FAS Information and Payments Regulations to require certain medical information, to be provided to the scheme manager when requesting the new type of annual payment.

With the exception of regulation 2, before making these Regulations the Secretary of State consulted such persons as he considers appropriate.

**Status:** *This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

An impact assessment has not been published for this instrument as it has only a negligible impact on the private and voluntary sectors.