



**Pension
Protection
Fund**

Manager of the Financial
Assistance Scheme

Protecting people's
futures



**Early
payments
for ill
health**

Register on our FAS member website

We've developed a secure website for the exclusive use of our members.

Please register as soon as you can because the website gives you the freedom to access and manage information about your benefits, and make informed decisions, at a time that best suits you.

Once you've set up an account, you can do lots of things online.

If you haven't started taking your assistance payments, you can use the website to plan your retirement by seeing how much you could receive.

You may also be able to retire online, which means less paperwork for you to complete.

Once retired, you can also view your payslips and P60s online.

You can also use the website to update your contact and personal details, at any time.

To register, please go to the website at **www.ppf.co.uk/fasmembers** and follow the simple registration instructions. It should only take a few minutes.

If you have any questions or concerns about anything included in this booklet, please visit our FAS member website or get in touch with us. Contact details are at the back of this booklet.

When we can make early health-related payments

Generally, we'd start making FAS payments to you when you reach your FAS normal retirement age, which is based on the rules of your former scheme. We can begin payments sooner, but only in the following health-related situations:

- ill health
- severe ill health, or
- terminal illness

We'll explain what we mean by each of these, along with the eligibility rules we have in place.

Ill health

You can ask us to start your FAS payments early because of ill health if you:

- are within five years of your FAS normal retirement age, and
- have been advised by your GP or another medical professional not to work because of ill health and this is likely to continue until you reach your FAS normal retirement age

Severe ill health

In cases of severe ill health you can ask to receive your FAS payments early if you:

- are aged 55 or over, and
- have a progressive condition or disease, and
- could reasonably be expected to have five years or fewer to live because of the disease, and
- have been advised by your GP or another medical professional not to work because of ill health and this is likely to continue until you reach your FAS normal retirement age

When we talk about a condition that could reasonably be expected to result in death within five years, we don't necessarily mean that a doctor has told you that you have five years or fewer to live. It means that five years or less would be within the range that a doctor could reasonably predict for a person in your situation.

We don't look at other things such as lifestyle in making these decisions. We only consider the specific condition, and its likely effect on life expectancy.

Terminal illness

If you're suffering from a progressive disease or condition and have been diagnosed as having fewer than six months to live, you can take your FAS payments at any age.

What you can receive

How we calculate your FAS annual payment amount

There are different rules for what you can receive depending on your health situation, but in all cases we start by working out how much you're entitled to receive as a FAS member. We calculate this as an annual payment amount.

For details of how we do this, including tax free cash lump sums, please see our 'When you retire' booklet on our FAS member website or call us to ask for a copy to be sent to you in the post.

It's important to be aware that ill health, severe ill health and terminal illness calculations only include increases known as revaluation (which aim to give some protection against inflation) up to the time you start taking payments, rather than up to your FAS normal retirement age.

This means you may get less than if your payments started at your FAS normal retirement age.

Ill health

Because ill health payments start from an earlier date and are expected to be paid over a longer period of time, the annual payment amount you'd receive is also reduced for early payment.

The reduction means you'd get broadly the same amount overall as if you'd waited until your FAS normal retirement age. But the payments you receive are lower because they are spread over more years. The further from your FAS normal retirement age you start your ill health payments, the bigger the reduction will be.

Taking early ill health payments will affect how much your spouse or relevant partner may get after you die, because the amount they receive would be calculated from your reduced annual payment amount.



If eligible, you can receive payments from the later of:

- the date you first tell us you can't work due to ill health, or
- five years before your FAS normal retirement age

Severe ill health and terminal illness

If you take your FAS payments early because of severe ill health or terminal illness, your annual payment amount won't be reduced for early payment. You'll be paid at your full annual payment rate.

If you meet the conditions for severe ill health or terminal illness payments, you'll usually be entitled to payments from the date we receive your written request.

How we pay you

We'd pay you monthly in arrears on the 21st of each month. If this falls on a non-working day, we'll pay on the previous working day instead. Your first monthly payment will include any back payments you're due.

Getting advice

We can't give you financial advice ourselves. If you don't already have a

financial adviser, you can find one at unbiased.co.uk

Payments to your family when you die

If you take your FAS payments early because of ill health, your spouse, civil partner or relevant partner may be able to receive payments from us after you die. A relevant partner is someone who you aren't married to, or in a civil partnership with, but who you live with as if you're married or in a civil partnership. A relevant partner will only qualify for FAS payments where your former scheme rules allowed it.

You don't need to nominate a spouse or civil partner as a beneficiary for them to be able to receive payments from us after your death.

If your former scheme rules allowed for survivor payments to relevant partners and you have a relevant partner, it's important that you nominate them as your beneficiary. You can do this on our FAS member website or over the phone using the contact details at the back of this booklet.



Your children will also be entitled to FAS payments after you die if they're

- under 18, or
- over 18, but under 23 years old, and:
- on a qualifying full-time educational or vocational course, or
- unable to work full-time due to a qualifying disability

If you choose to receive ill health payments, the amount your family receives will be based on the reduced annual amount we calculate to account for you receiving payments over a longer period of time. If you take early payments due to severe ill health or terminal illness, we don't reduce your annual payment and so payments to your family will be based on that unreduced amount.

For more details on how we work out payments to your family, please take a look at the 'Payments for spouses, partners and children' booklet on our FAS member website or call us to ask for a copy to be sent to you in the post.

Your tax

Your payments are regarded as earned income, which means you have to pay tax on them.

HM Revenue and Customs (HMRC) will take into account all taxable income you receive, including your State Pension, other earnings and bank interest before issuing you with a tax code.

We'll produce a P60 for you at the end of each tax year. P60s are available to view, at any time, on our member website. You can also request a copy by post. Your P60 will let you know the total payments you've received and the amount of tax deducted.

If you have any questions about your tax, please contact HMRC using the details below and quoting reference 406/ JA34863.

Pay As You Earn and Self Assessment
HM Revenue and Customs
BX9 1AS
United Kingdom
Phone: 0300 200 3300

FAS payments and state benefits

Receiving FAS payments could affect any state benefits that you may already receive, such as Pension Credit, Jobseeker's Allowance, Income Support and Housing Benefit. If you're receiving FAS payments, you should tell the office that pays your state benefits.

Receiving FAS payments won't affect your occupational pension from other schemes, your personal pension or your State Pension.

If you have any concerns or questions about this, please get in touch with us.

Lifetime allowance

Since 6 April 2006, people have only been allowed a maximum amount of pension benefits throughout their lifetime without triggering a tax charge. This amount is called the lifetime allowance.

Most people aren't affected by this.

The lifetime allowance is set each tax year and relates to the benefits people receive from all the pension schemes they belong to, including your FAS annual payment. If you want to check

what the level is, please go to the HMRC website www.hmrc.gov.uk

Some people may have special protection for their benefits under HMRC rules. If this applies to you, please let us know as soon as possible.

If you think you may be affected by the lifetime allowance, we recommend that you seek advice from an independent financial adviser.

What we need from you

If you think you're entitled to receive early FAS payments because of ill health, please call us on 0330 678 0000 as soon as possible. We may need to ask you about your condition or disease so that we can send you the appropriate form.

Your health-related illustration form shows you how much you can receive. If we think, based on the initial information you provide, that you're eligible for more than one type of health related payment, we'll send you multiple forms so that you can compare the different amounts you can receive.

It's important that you check you're happy with the figures we're quoting. You may want to speak to a financial adviser to help you with this.

If you're happy with the details on your illustration form, you must get your doctor to complete their declaration

which confirms your illness. You'll also need to provide your bank details and complete your own declaration section. If any of these parts aren't completed correctly, we won't be able to set up your payment.



Summary of the main conditions and details

Conditions for payment	Ill health	Severe ill health	Terminal illness
When can I claim?	Within five years of FAS normal retirement age	From age 55	At any age
Details of illness	Unable to work due to ill health and likely to remain so until FAS normal retirement age	<ul style="list-style-type: none"> – Expected to live for fewer than five years due to progressive disease, and – Unable to work due to ill health and likely to remain so until FAS normal retirement age 	– Expected to live for fewer than six months
Details of payment			
Reduced to reflect early payment	Yes	No	No
Accrued pension revalued up to the date the payments begin	Yes	Yes	Yes

Protecting your data

We take care to handle your personal data in compliance with data protection legislation.

We process your personal data correctly and lawfully, to enable assistance payments to be made to you, to keep you up-to-date with developments and to seek your feedback about ways we could improve our service.

We won't rent, swap or sell your personal data to any other organisation.

You can view our full privacy policy at **www.ppf.co.uk/fasmembers** or you can request a printed copy of the privacy policy be sent to you.

This booklet is for guidance only.

It's necessarily simplified and not a definitive statement of law or entitlement.

Information in this booklet is based on our current understanding of the legislation governing the FAS in force at the time of writing.

Payments will always have to be calculated in accordance with legislation which will, therefore, override in the case of conflict.



Manager of the Financial Assistance Scheme

Contact us:
FAS Member Services Team

FAS Member Services
Financial Assistance Scheme
PO Box 287
Wymondham NR18 8EZ

Tel: **0330 678 0000** (Monday to Friday, 09.00 to 17.30)

Overseas Members:
+44 (0)208 406 2121

Email: **fasmembers@ppf.co.uk**

FAS Member website:
www.ppf.co.uk/fasmembers

Keeping your personal data secure is very important to us. That's why we're now asking you not to email us with any changes you want to make to your personal information. Your personal details, either in the email or on any attached documents, are the type of information fraudsters look for. So for your safety, we provide a secure messaging service through our member website. We can also reply back to your web account and you'll be notified when you have a new message from us. You can also safely upload some important documents. As well as being quick and simple to use, you'll know your details are secure.