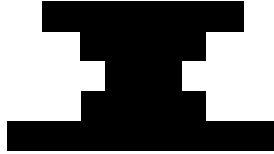


PENSIONS ACTION GROUP

Terry Monk
On behalf of Pensions Action Group



Financial Assistance Scheme Consultation
Pensions Protection & Stewardship Division
Department for Works & Pensions
Caxton House
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17th August 2011

Dear Consultation team,

I am writing on behalf of the Pensions Action Group in response to the recently published FAS draft regulations, June 2011.

There is little specific in the draft regulations to resolve the key issues that concerns PAG and its members although we do comment specifically on a few points, we would however wish to make the following general comments

1. The serious concerns about the erosion of benefits by inflation has not been addressed and the benefits are now reducing on a daily basis to well below the headlined by Government of 90% and in some instances below 50%
2. A very small number of people are penalised by the refusal to back date benefits to a members retirement date rather than the May 2004 date when FAS was first established and this erodes the 90% headline as there is a period on 0%
It should be noted that the May 2004 date is only there due to the reluctance of the previous Government to provide any assistance (compensation). It was commented at a meeting with a previous Minister that backdating before May 2004 was difficult but not impossible
3. The impact of the cap on long serving employees is unfair and again reduces the benefits to well below 90% and has a disproportionate impact on their benefits
4. The continual refusal to allow early access to that in ill health and with more than 5 years to go to NRA is adding to the hardship already facing this small group of people

Specific Comments

Question 2

Again has the unfair and illogical May 2004 cut off date is applied

Question 5/8

We would be very concerned if the actuarial factors were amended retrospectively and any such change was outside factors used by the actuarial profession outside of Government

We have seen examples of where members made decisions based on factors used by the scheme actuary prior to the establishment of FAS only to have benefits reduced as a result new factors applying

It seems that Govt can apply the May 2004 cut off for benefit back dating but are able to reverse the impact of factors applying and decisions made prior to May 2004

Question 9, sections 70, 71 and 72

It is not clear whether the member would have any right of appeal if he/she did not agree with any decision made. If there is a right of appeal, is this to an independent body?

Question 10, section 74a

We do not consider that 28 days is long enough for someone to consider a complaint. The member may be away visiting relatives (common among pensioners) for a prolonged period, or he/she may be in hospital or undergoing temporary care away from home. He/she may also need to obtain professional advice which can be a lengthy experience.

This period should be extended to two months as a minimum.

Yours Sincerely

On behalf of PAG

Terry Monk, Richard Nicholl, Peter Lapinskas ,Andrew Parr