

2011 No. 839

PENSIONS

The Financial Assistance Scheme (Revaluation and Indexation Amendments) Regulations 2011

Made - - - - 17th March 2011

Coming into force in accordance with regulation 1

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 286 and 318(1) of the Pensions Act 2004(a).

In accordance with section 316(2)(n) of the Pensions Act 2004, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

The Secretary of State has consulted such persons as the Secretary of State considers appropriate in accordance with section 317(1) of the Pensions Act 2004.

Citation and commencement

1.—(1) These Regulations may be cited as the Financial Assistance Scheme (Revaluation and Indexation Amendments) Regulations 2011 and, subject to paragraph (2), shall come into force on 31st March 2011.

(2) Regulations 11, 14 and 15 shall come into force on 31st December 2011.

Amendment of the Financial Assistance Scheme Regulations

2. The Financial Assistance Scheme Regulations 2005(b) are amended in accordance with regulations 3 to 15.

[Regulations 3-15 makes various consequential amendments to S.I. 2005/1986.]

Signed by authority of the Secretary of State for Work and Pensions.

17th March 2011

C Grayling
Minister of State,
Department for Work and Pensions

(a) 2004 c. 35. Section 286 was amended by section 18(2) and 18(3) of the Pensions Act 2007 (c. 22) and by section 124 of the Pensions Act 2008 (c. 30). Section 286 is modified in its application to multi-employer schemes by S.I. 2005/441 (amended by S.I. 2005/993, 2005/2113, 2008/731 and 2010/725). Section 318(1) is cited because of the meanings given to “prescribe” and “regulations”.

(b) S.I. 2005/1986 as amended by S.I. 2005/3256, 2006/3370, 2007/3581, 2008/1432, 2008/1903, 2008/3069, 2008/3241, 2009/792, 2009/1851, 2010/1145 and 2010/1149.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Financial Assistance Scheme Regulations 2005 to provide for:

- (a) revaluation in respect of periods which run from 31st March 2011 to be determined in accordance with any rise in the general level of prices in Great Britain;
- (b) indexation on assistance payments from 1st January 2012 to be calculated in accordance with any rise in the general level of prices in Great Britain; and
- (c) the cap on the amount which a beneficiary can receive in total from the Financial Assistance Scheme and any annuity to be increased annually in accordance with any rise in the general level of prices in Great Britain.

The general level of prices in Great Britain is to be estimated in such manner as the Secretary of State thinks fit and the Secretary of State is to publish the manner of estimating the general level of prices periodically.

Prior to these amendments, revaluation, indexation and the cap were calculated in accordance with the retail prices index. The retail prices index remains the means by which revaluation in respect of periods falling before 31st March 2011 will be calculated.