

After assessment

Once assessment is complete, a scheme will:

- either come into the PPF, or
- be allowed to wind-up outside the PPF, generally through an insurer.

A scheme will transfer to us only if there is not enough money, or other assets, left in the scheme to buy members the same level of compensation as we would pay.

If there is enough money, or other assets, to buy more than we will pay, the scheme will not transfer to the PPF but will find an insurer willing to 'buy out' its liabilities and make payments to its members.

This means you can be generally sure of receiving at least PPF levels of compensation – and, possibly, payments that are higher than our compensation levels.

For further information

If your scheme is in assessment and you need further information, you **must** talk to your scheme trustees. Their contact details can be found on your pension benefit statement.

If your scheme enters the PPF, we will send you a welcome pack which:

- explains how compensation works, and
- includes a payslip and compensation certificate.

If you want more information about the PPF, contact us by:

Telephone: 0845 600 2541
Textphone: 0845 600 2542
Email: information@ppf.gsi.gov.uk

Or write to us at:

Stakeholder Support Team
Pension Protection Fund
Knollys House
17 Addiscombe Road
Croydon CR0 6SR

This leaflet is for guidance only. It is necessarily simplified and not a definitive statement of law or entitlement. Information in this document is based on current understanding of the legislation in force at the time of writing. Compensation will always have to be calculated in accordance with legislation which will, therefore, override in the case of any conflict.

Please note that levels of compensation paid by the PPF could be reduced by the Secretary of State for Work and Pensions, on the recommendation of the PPF.



Your journey to...
...becoming
a member of
the Pension
Protection
Fund.

Your employer has just gone bust and you're worried about what will happen to your pension.

You are told that your pension scheme is looking to enter the Pension Protection Fund (PPF).

The PPF was set up in April 2005 to protect you if your employer goes bust and its pension scheme can no longer afford to pay your promised pension.

But what happens next?

The first thing to know is:

- If you are already receiving a pension – and you have reached the scheme's normal pension age – your payments will generally continue as normal. Also, payments generally continue as normal for anyone receiving a pension because of ill-health, or a pension in relation to someone who has died.
- If you were yet to reach the scheme's normal pension age when your employer went bust, we will pay you up to 90 per cent compensation when you retire – although this compensation is capped. For further information, please visit our website.
- If you have retired early and have not reached the normal pension age, we will also pay you up to 90 per cent compensation, again this is capped and means the payments you are currently getting will reduce.

More about compensation payments can be found in our accompanying leaflet: **'Help! My employer has gone bust ... and I think I might lose my pension.'**

But, before you can receive PPF compensation direct, your pension scheme has to go through an assessment process.

The road to PPF compensation

The assessment process is much like a commercial pension scheme 'wind-up' – and, if your scheme is eligible usually starts as soon as your employer goes bust.

While assessment takes place, trustees remain in day-to-day control of your pension scheme and payments. We take over responsibility for payments only when assessment is complete – and if the scheme can't afford to buy benefits which are more than the PPF would pay.

During the assessment, we will:

- work out how much money, and other assets, remain in the scheme
- make sure that the details of all the scheme members are up-to-date and accurate
- ask you to check that the details held about you are correct, and
- ask you to provide any changes to your details as soon as possible.

We aim to complete assessments for most schemes within two years. If you have reached normal pension age, your payments will generally continue as normal.

If you haven't reached normal pension age and if the scheme allows, you may be able to take early retirement and receive payments during this period.