

FAS (retired) – TUESDAY 4 JANUARY

Dear member,

I am writing to you to let you know about an important change to the way the assistance you receive from the Financial Assistance Scheme (FAS) will be calculated in the future.

As you know, FAS assistance may increase in line with inflation each year, subject to a maximum of 2.5 per cent a year.

The Government has introduced new rules which mean that, instead of using the Retail Prices Index (RPI) to calculate those increases, we now have to use the **Consumer Prices Index (CPI)** – a measure the Government uses for its own inflation targets.

RPI and CPI both measure inflation by tracking changes in the costs of certain goods and services. But, because they do not track the same goods and services, they produce different rates of inflation.

Because the CPI figure is generally lower than the RPI figure, your assistance may not increase by as much as it might have if the Government continued to use RPI.

We anticipate that these changes will come into effect towards the end of 2011 which means the first increase to be calculated using CPI will be paid from **1 January 2012**. Of course, we will send you a letter detailing the changes.

Please remember that you may not receive an increase on all of your assistance entitlement or you may not receive an increase at all.

If you need any more information or clarification about this change, then please do not hesitate to call us on our customer contact number: **0845 604 4585** or email us at members@fasonline.org.uk.

Alternatively, you can get further information from our website at www.pensionprotectionfund.org.uk or from the '**What FAS Means To You**' booklet which is available online or by contacting us on the details above.

I would like to take this opportunity to reassure you that your assistance remains safe in our hands and that we will continue to make payments for as long as they are due.

Yours sincerely

Sue Rivas
Head of FAS.

The Financial Assistance Scheme is administered by the Pension Protection Fund