

The logo for the Pension Protection Fund, featuring a blue curved line above the text.

Pension
Protection
Fund

Protecting people's
futures

A photograph of a diverse group of people smiling and laughing outdoors. In the foreground, an older man with a white beard and hair is smiling broadly, pointing towards the camera. Behind him, a woman with brown hair is smiling, and further back, a man with a beard and a woman are also smiling. The background is a blurred green landscape.

Welcome to
the PPF

Register on our member website

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

Please register as soon as you can because this website is the quickest and easiest way for most people to get information about their payments.

Once you've set up an account, you can do lots of things including updating your personal details and starting your payments, if you haven't yet retired.

To register, please go to the website at **www.ppf.co.uk/members** and follow the registration instructions.

If you have any questions or concerns about anything included in this booklet, please visit our member website or contact us.

Contact details are at the back of this booklet.

Welcome

You're now a member of the Pension Protection Fund (PPF)

This means that you'll receive compensation from us rather than a pension from your former scheme.

We were set up to protect people if their employer or previous employer becomes insolvent and can no longer afford to pay the pension they promised. Hundreds of thousands of people now benefit from our protection and are receiving PPF payments, or will do so in the future.

This welcome booklet should provide you with all the information you need to understand what it means to be a member of the PPF. Please keep it for your records as you might find it useful in the future.

But, if there is anything you don't understand – or if you have any questions about your payments – then contact us straight away. Welcome to the PPF and I wish you a happy and secure future.

Oliver Morley
Chief Executive.



You and your payments

If you've already retired

Now your scheme has entered the PPF, we'll generally pay you the same amount you were receiving as a pension.

You'll also be paid the same amount you were receiving as a pension if you retired through ill-health or you're receiving a pension in relation to someone who has died.

But this may not apply if you retired early and you hadn't reached your scheme's normal pension age when your employer became insolvent.

In most cases, your payments relating to pensionable service from 6 April 1997 will then rise in line with inflation each year, subject to a maximum of 2.5 per cent a year.

But payments relating to pensionable service before that date won't increase.

Sometimes there won't be a rise in inflation and so your payments won't increase. Sometimes inflation will fall but, if it does, your payments won't be reduced.

If a part of your pension from your former scheme is being paid to your former spouse or civil partner, or is subject to a court order, then this will be reflected in the level of compensation you receive.

If you retired early

If you retired early and:

- hadn't reached your scheme's normal pension age when your employer became insolvent, and
- your pension didn't relate to someone who had died, or wasn't because of ill-health

then we'll generally pay you 90 per cent of what your pension was worth at the time your employer became insolvent.



Compensation cap

The total amount of payments you can receive each year is capped at a certain level, although the vast majority of members aren't affected by this cap.

Details of the cap can be found on our member website.

The amount of compensation we pay has been the direct or indirect subject of three court cases. The vast majority of members aren't affected by these rulings.

The Court of Justice of the European Union (CJEU) ruled in September 2018 that pension scheme members should receive at least 50 per cent of the value of their accrued old age benefits, if their employer became insolvent. Since the ruling, we've implemented some changes to our processes. Work is ongoing to pay increases to all members who are affected by the ruling.

The CJEU ruled in December 2019 that any reduction in accrued old age benefits mustn't bring a household below the at-risk-of poverty threshold. We're working with the Government on its response.

The High Court ruled in June 2020 that the compensation cap is unlawful. The Government sets the level of compensation we pay, so it's for them to decide how to respond.

You can check our website www.ppf.co.uk for up-to-date information on developments of these cases.



Adjusting your payments

For some of you, we may need to adjust the amounts you receive now you've become a member of the PPF.

We may need to do this:

- if your benefits weren't adjusted during the time your former scheme was being assessed for entry into the PPF, as they should have been,
- for example, because you should have been receiving compensation at the 90 per cent level and you weren't, or
- you may have been paid the wrong amount by the trustees of your former scheme,
- for example, due to a mistake in their calculations, or the information they held for you.

If you have yet to retire

If you haven't reached your retirement age, when you retire, you'll receive compensation based on 90 per cent of what your pension was worth at the time your employer became insolvent.

Before your retirement, your entitlement will increase each year in line with inflation, up to a limit set by government. But if inflation falls, your entitlement won't change.

You'll get this increase each year until you reach your Normal Pension Age (NPA). If you decide to put off taking your entitlement beyond your NPA, then these increases will cease at your NPA and after that, a late retirement factor will be added to your entitlement, to take into account your later retirement date.

We'll contact you closer to when you're due to retire so you'll know what your options are for receiving payments.

The majority of members will be able to retire online using our member website.

Parts of your compensation may be payable at different ages, depending on your entitlement under your former scheme.

Remember, the total amount of payments you can receive each year is capped at a certain level, although the vast majority of members aren't affected by this cap.

If your payments have been capped, we'll let you know when you come to retire.

It's important to remember that benefits cannot be transferred out of the PPF.

Early retirement

If you want, you can receive your payments earlier than your NPA.

You have to be 55 years old or over to do this – unless you have a right to take your pension earlier under the rules of your former pension scheme (known as protected pension age).

If you want to receive your compensation early, you should contact us to ask for an early retirement illustration. We'll then confirm whether or not you're eligible to receive early payments. Alternatively, you can visit our member website.

The illustration will set out the options available to you if you want to go ahead.

Because you'll be receiving your payments early and therefore over a longer period, they'll be reduced from what you would've received at your NPA.

Delaying your payments

You might want to start receiving your payments later than your NPA.

You can put off receiving payments up until the age of 75. You just need to let us know, as soon as you can, when you'd like to start receiving your payments.

After you reach your NPA your benefits will no longer increase by inflation.

Instead, your payments will then be increased after your NPA using a late retirement factor, to take into account the fact that they're being paid later.

You won't be able to delay payments if you're already receiving part of your entitlement.

If you have a terminal illness

In the unfortunate event of you being diagnosed with a terminal illness and having six months or less to live, you can receive a one-off lump sum payment instead of receiving regular compensation payments.

The diagnosis will need to be confirmed by a doctor.

If approved, this payment can be made at any time before you start receiving regular compensation payments.

The lump sum payment will be twice the amount of all the payments you'd otherwise be entitled to receive from the PPF in a year. So, if your total annual payments were £4,000, you would receive £8,000 as a lump sum.

For further details, please see our Terminal Ill Health booklet which can be found on our member website.



After you die

Following your death, regular payments will be made, at a reduced level, to any children you may have who are under 18 years old.

They'll also be made to any children between the age of 18 and 23 who are either:

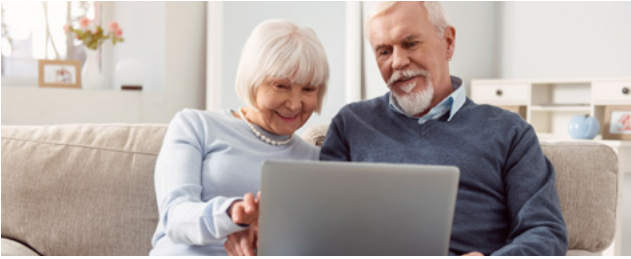
- in continuing qualifying full-time education, or
- who have a qualifying disability which means they cannot work full-time

But, please note, individual cases may differ and it will depend on the rules of your former pension scheme, your personal circumstances and the PPF's own rules.

We may also make payments to any spouse, civil or relevant partner. A relevant partner is someone of either sex 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.

If you want your payments made to a relevant partner, you must nominate them on our member website or by contacting us (even if you provided this information to your former scheme). 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.

Nominating a partner can be important. For instance, if you separate from your spouse but don't get divorced – and you don't nominate your new partner – compensation would automatically be paid to your spouse.



Paying you

We'll pay you in advance, generally by the first working day of the month.

Payslips can be viewed on our member website once you've registered. You can also request a copy by post.

All payments will be paid directly into a nominated account in the name of the individual who's entitled to receive payments.

If you're living abroad and don't have a UK bank account, arrangements can be made to make a payment into an overseas bank account.

Your tax

Your payments will be taxed as earned income and we'll produce a P60 for you at the end of each tax year. P60s are available to view any time, on our member website. You can also request a copy by post.

This will show you the total amount of payments you've received and the amount of tax deducted.

If you have any questions about your tax, then contact the tax inspector quoting reference 948/KZ68905 at the following address:

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



Changing circumstances

It's important that the information we hold about you is accurate and up-to-date.

This will help us make sure you receive the right payments at the right time.

So, please let us know straight away if any of your personal circumstances change.

You should tell us if you:

- get married or enter into a civil partnership
- change your name
- get divorced or apply to dissolve a civil partnership, or
- nominate someone who can act on your behalf.

For security purposes, you may need to provide supporting documents, for example, if you get married, we'll need to see a copy of your marriage certificate – please don't send us the original. This means you cannot carry out these tasks online.

You should also let us know if you:

- change address, including moving abroad
- change your bank details
- you wish to nominate a relevant partner to receive your compensation in the event of your death (if your former scheme rules allow), or cancel a nomination.

These tasks can be done online.

Your personal information

We collect and hold personal information that we need to carry out our functions, including paying you.

Your data will be treated by us on a confidential basis, in accordance with all applicable data protection legislation. We're responsible for the data we hold about you and it will only be used for the purposes set out in our policy.

You can view our full privacy policy at **www.ppf.co.uk/members**.

Under the legislation, you have the right to see the data we hold about you and why. If you want to see this data, you can ask for it in writing, giving your full name and address. Please send your request to:

Resolutions Team
Pension Protection Fund
PO Box 254
WYMONDHAM
NR18 8DN

We'll aim to respond to your request within 30 days.

Normally, you can see all the information we hold about you. But there are some exceptions relating to the way crime is detected or prevented, catching or prosecuting offenders and the assessment of taxes or duty.

If you have a complaint or concern

If you're unsure or unhappy about any of your dealings with us, then please let us know as soon as you can. The sooner you talk to us, the sooner we can resolve any issues you may have.

Most of the time, we're able to sort out any problems informally. But if you feel we can't resolve any issues informally, then you can make a formal complaint.

If you want to know more, you may find our booklet about complaints helpful. This can be found on our member website.



Pension Protection Fund

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 compensation 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/members or you can request a printed copy of the privacy policy be sent to you by using our contact details.

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 PPF 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.

Contact us:

Pension Protection Fund
PO Box 254
WYMONDHAM
NR18 8DN

Tel: **0330 123 2222**

Overseas Members:
+44 (0)208 633 4902

Email: ppfmembers@ppf.co.uk

Member website:
www.ppf.co.uk/members

PPF Corporate website:
www.ppf.co.uk