



Work and Pensions Committee

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Guy Opperman
Minister for Pensions and Financial Inclusion
Department for Work and Pensions

12 January 2021

Pension Protection Fund and Financial Assistance Scheme payment of arrears

Dear Guy,

Last year the Court of Appeal ruled that the cap on compensation paid by the Pension Protection Fund (PPF) was unlawful. The Court of Appeal also supported the PPF's approach to increasing payments to its members and to members of the Financial Assistance Scheme (FAS), which is administered by the PPF, following the 2018 European Court of Justice judgement in the Hampshire case.

The approach to paying arrears now due is different for members of the PPF and the FAS, which is taxpayer funded and where DWP has more responsibility for decision making. PPF members will receive uncapped arrears with interest paid and no time limit. FAS members will similarly receive arrears with no time limit, but no interest will be paid and a cap, not dissimilar to the one ruled unlawful for PPF members, remains in place.

I would be grateful if you could please set out in detail to the Committee the reasons for these differences and confirm whether or not the Department is still in the process of finalising its approach to this case?

I look forward to hearing from you.

Yours sincerely,

Rt Hon Stephen Timms MP
Chair, Work and Pensions Committee