



PPF and FAS Pre-1997 indexation: Responses to data requests

This document sets out our responses to requests made for data relating to Pension Protection Fund (PPF) and Financial Assistance Scheme (FAS) pre-1997 indexation.

Contents

Cost of providing pre-1997 indexation – Financial Assistance Scheme	2
Members of the Pension Protection Fund and pre-1997 indexation	3

Cost of providing pre-1997 indexation – Financial Assistance Scheme

This information was supplied to the Department for Work and Pensions (DWP) following a request in March 2026.

Our [letter to the Work and Pensions Select Committee of 21 August 2025](#) included the estimated costs of providing prospective and retrospective pre-97 indexation in line with CPI capped at 2.5% per annum (pa) and 5% pa, to members of the PPF whose schemes had provided such indexation as a right. Equivalent figures for members of the Financial Assistance Scheme (FAS) were not included.

We can now provide equivalent information about the estimated costs of providing prospective and retrospective pre-97 indexation in line with CPI, capped at 2.5% pa and 5% pa, to members of FAS. These figures are estimates and subject to change (they are particularly sensitive to changes in interest rate and inflation assumptions which are driven by market movements).

Scenario	31 March 2025 increase in liabilities (£bn)	31 March 2025 increase in liabilities (£bn)
	CPI capped at 2.5% pa	CPI capped at 5% pa
Prospective changes, first increase on 1 January 2027		
(1): Prospective pre-97 pension increases of CPI capped at x%	0.3 – 0.6	0.6 – 0.9
Retrospective changes		
(2) Arrears for retrospective pre-97 pension increases of CPI capped at x%	0.3	0.5
(3) Retrospective pre-97 pension increases of CPI capped at x% excluding arrears	0.4 – 0.8	0.7 – 1.1
(4) Retrospective pre-97 pension increases of CPI capped at x% including arrears	0.7 – 1.1	1.2 – 1.6
Total of prospective, arrears and retrospective (1) (2) and (3) combined	1.0 – 1.7	1.8 – 2.5

Notes:

1. The costs could change from one year to the next as they are mainly driven by the discount rate assumption and to a lesser degree by the inflation rate assumption, both of which are market related.
2. PPF provide government with a future forecast of FAS cashflows, the assumptions used for the forecast are set by government. Our cost estimates are based on these forecasts.
3. For these costings we have also used high level global estimates for the proportion of FAS assistance in respect of pre-97 pension increases. Future iterations will use scheme rules information to provide more precise figures.
4. The impacts for scenarios 1 and 4 have been shown as a range instead of a single figure to allow for the high-level nature of the calculations.

Members of the Pension Protection Fund and pre-1997 indexation

This information was supplied to a representative of the Deprived Pensioners Association following requests in December 2024 and January 2025.

Number of schemes transferred to the PPF that did not provide for pre-1997 increases in their scheme rules: **398 schemes**.

Total membership size of these schemes (including members with no pre-1997 compensation): **55,000 pensioner members, 25,000 deferred members**.

The table below summarises this information:

	All schemes that have transferred to the PPF	PPF schemes that did not provide for pre-1997 increases in their scheme rules
Number of schemes	1,097	398
Number of pensioner members in these schemes	205,000	55,000
Number of deferred members in these schemes	100,000	25,000

Notes:

April 2026: Please note the above was based on data submitted by Schemes via the Pensions Regulator and we expect these figures would change if we allowed for actual scheme rules information.