STATUTORY INSTRUMENTS

2017 No. 324

PENSIONS

The Pension Protection Fund (Modification) (Amendment) Regulations 2017

Made - - - -	*8th March 2017*
Laid before Parliament	*13th March 2017*
Coming into force - -	*6th April 2017*

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 170(2), 315(2), (4) and (5) and 318(1) of, and paragraph 26(9) of Schedule 7 to, the Pensions Act 2004(**1**) and section 51(8) of the Pensions Act 2014(**2**).

In accordance with section 317(1) of the Pensions Act 2004, the Secretary of State for Work and Pensions has consulted such persons as he considers appropriate.

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Pension Protection Fund (Modification) (Amendment) Regulations 2017 and come into force on 6th April 2017.

(2) For the purposes of regulation 2(2) to (4), these Regulations are to be treated as having effect from 6th April 2005.

(3) The remaining provisions of these Regulations take effect from 6th April 2017.

Amendment to the Pension Protection Fund (Compensation) Regulations 2005

2.—(1) Regulation 22 of the Pension Protection Fund (Compensation) Regulations 2005 (application of compensation cap where compensation becomes payable on different dates)(**3**) is amended as follows.

(2) For sub-paragraph (6A) substitute, "Where sub-paragraph (6B) or sub-paragraph (6BA) applies to a person, sub-paragraphs (6C) and (6D) apply (instead of sub-paragraph (1)) in relation to the entitlements referred to in the sub-paragraph which applies to him.".

(**1**) 2004 c. 35. Section 170 was amended by article 7 of S.I. 2011/1730. Section 318(1) is cited for the meaning it gives to "prescribed" and "regulations". Paragraph 26 of Schedule 7 was amended by section 22 of, and paragraphs 19 and 23(9) of Schedule 4 to, the Pensions Act 2011 (c. 19) and by sections 50 and 51 of, and paragraphs 4 and 6(3) of Schedule 20 to, the Pensions Act 2014 (c. 19).

(**2**) 2014 c.19.

(**3**) S.I. 2005/670. Regulation 22 was amended by S.I. 2013/627.

(3) For sub-paragraph (6B), substitute—

"(6B) This sub-paragraph applies if—

(a) a person becomes entitled to relevant compensation in respect of a benefit ("benefit A") that is attributable to a pension credit from a transferor; and

(b) before the person becomes entitled to relevant compensation in respect of benefit A, he has become entitled to—

(i) relevant compensation in respect of one or more other benefits under the scheme or a connected occupational pension scheme that are also attributable to a pension credit from the same transferor ("benefit or benefits C"); or

(ii) one or more lump sums under the scheme or a relevant connected occupational pension scheme ("sum or sums L") that are also attributable to a pension credit from the same transferor.".

(4) After sub-paragraph (6B) (as substituted by regulation 2(3) of these Regulations), insert—

"(6BA) This paragraph applies if—

(a) a person becomes entitled to relevant compensation in respect of a benefit ("benefit A") that is attributable to the person's pensionable service; and

(b) before the person becomes entitled to relevant compensation in respect of benefit A, he has become entitled to—

(i) relevant compensation in respect of one or more other benefits under the scheme or a connected occupational pension scheme that are also attributable to his pensionable service ("benefit or benefits C"); or

(ii) one or more lump sums under the scheme or a relevant connected occupational pension scheme ("sum or sums L") that are also attributable to his pensionable service.".

"(6BB) For the purposes of sub-paragraphs (6B)(b)(ii) and (6BA)(b)(ii), a scheme is a relevant connected compensation pension scheme if it is an eligible scheme when the person becomes entitled to the relevant compensation in respect of benefit A.".

(5) After sub-paragraph (6G) as inserted by regulation 22(3), insert—

"(6GA) Where sub-paragraph (6B) or (6BA) applies, "the compensation cap" has the meaning given by paragraph 26A, except that the reference in sub-paragraph (2) of that paragraph to the length of the person's pensionable service is to be treated as if it were a reference to the total length of the person's pensionable service at the time when he becomes entitled to the relevant compensation in respect of benefit A.".

Amendment to the Pension Protection Fund (General and Miscellaneous Amendments) Regulations 2006

3. In regulation 9A(3) of the Pension Protection Fund (General and Miscellaneous Amendments) Regulations 2006 (PPF money purchase lump sums)(**4**), for "£2,000" substitute "£10,000".

(**4**) S.I. 2006/580. Regulation 9A was inserted by S.I. 2013/627 and amended by S.I. 2016/294.