STATUTORY RULES OF NORTHERN IRELAND

2005 No. 55

PENSIONS

The Pension Protection Fund (Partially Guaranteed Schemes) (Modification) Regulations (Northern Ireland) 2005

Made - - - - 28th February 2005
Coming into operation in accordance with regulation 1(1)

The Department for Social Development, in exercise of the powers conferred on it by Articles 280(3) and 287(3) of the Pensions (Northern Ireland) Order 2005(**1**), and of all other powers enabling it in that behalf, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Pension Protection Fund (Partially Guaranteed Schemes) (Modification) Regulations (Northern Ireland) 2005 and shall come into operation –

(a) for the purposes of this regulation, and regulations 3(4)(d) and (g), 4(2), 5(3)(b), 7, 8(1)(a) and 10(5) for the purpose only of the making of regulations, on 8th March 2005,

(b) for all other purposes, on 6th April 2005.

(2) In these Regulations –

"the Order" means the Pensions (Northern Ireland) Order 2005;

"partially guaranteed scheme" means an eligible scheme in respect of which a relevant public authority has –

(a) given a guarantee in relation to –

(i) any part of the scheme;

(ii) any benefits payable under the scheme rules; or

(iii) any members of the scheme, or

(b) made any other arrangements for the purposes of securing that the assets of the scheme are sufficient to meet any part of its liabilities.

(3) In these Regulations, any reference to a numbered Article is a reference to the Article of the Order bearing that number.

(**1**) S.I.2005/255 (N.I. 1)

Modification of Part III of the Order

2. In relation to a partially guaranteed scheme, Part III of the Order (the Board of the Pension Protection Fund) applies with the modifications prescribed in these Regulations.

Application and effect

3.—(1) The following Articles of the Order apply as if for "assets of the scheme" in each place where it occurs there were substituted "assets of the unsecured part" –

(a) Article 111(2)(a) and (4)(a) (duty to assume responsibility for schemes following insolvency event);

(b) Article 112(2)(a) and (3)(a) (duty to assume responsibility for schemes following application or notification);

(c) Article 120(5) (power to validate contraventions of Article 119);

(d) Article 135(9)(a) (application for reconsideration);

(e) Article 136(9)(a) and (11) (duty to assume responsibility following reconsideration), and

(f) Article 142(2) (duty to assume responsibility for closed schemes).

(2) The following Articles of the Order apply as if for "an eligible scheme" in each place where it occurs there were substituted "the unsecured part of an eligible scheme" –

(a) Article 115(1) (protected liabilities);

(b) Article 147(1) (adjustments to be made where the Board assumes responsibility for a scheme);

(c) Article 148(1) (postponement of compensation entitlement for the assessment period);

(d) Article 149(1) (guaranteed minimum pensions);

(e) Article 153(1) (discharge of liabilities in respect of compensation), and

(f) Article 154(1) (discharge of liabilities in respect of money purchase benefits).

(3) The following Articles of the Order apply as if for "a scheme" in each place where it occurs there were substituted "an unsecured part" –

(a) Article 126(1) (Articles 124 and 125: interpretation);

(b) Article 128(1) (approval of valuation);

(c) Article 129(2) (binding valuations);

(d) Article 130(2) (schemes which become eligible schemes);

(e) Article 131(2) (new schemes created to replace existing schemes);

(f) Article 141(9) (applications and notifications where closed schemes have insufficient assets);

(g) Article 144(1) and (5) (transfer notice);

(h) Article 145(2) and (5) (effect of Board assuming responsibility for a scheme);

(i) Article 146(1) (the pension compensation provisions);

(j) Article 150(1) (duty to pay scheme benefits unpaid at assessment date etc.), and

(k) Article 156(1) (relationship with fraud compensation regime).

(4) The following Articles of the Order apply as if for "the scheme" in each place where it occurs there were substituted "the unsecured part" –

(a) Article 115(1) (protected liabilities);

(b) Article 122(3) (payment of scheme benefits);

(c) Article 124(2)(a) (reviewable ill health pensions);

(d) Article 125(2), (3)(a), (4) and (5)(a) (effect of a review);

(e) Article 126(1) and (4) (Articles 124 and 125: interpretation);

(f) Article 127(2) and (11)(a) and (b) (Board's obligation to obtain valuation of assets and protected liabilities);

(g) Article 130(1) (schemes which become eligible schemes);

(h) Article 135(1), (2)(b) and (c) and (3)(b) and (c) (application for reconsideration);

(i) Article 136(2) and (5) (duty to assume responsibility following reconsideration);

(j) Article 138(2)(c) and (5)(b) and (c) (requirement to wind up schemes with sufficient assets to meet protected liabilities);

(k) Article 141(1) and (3) (applications and notifications where closed schemes have insufficient assets);

(l) Article 142(1) and (3) (duty to assume responsibility for closed schemes);

(m) Article 143(3)(b)(ii) (closed schemes: further assessment periods);

(n) Article 145(1), (2)(a), (3) and (7)(b) (effect of Board assuming responsibility for a scheme);

(o) Article 147(3)(a) (adjustments to be made where the Board assumes responsibility for a scheme);

(p) Article 148(1) (postponement of compensation entitlement for the assessment period);

(q) Article 150(5)(a) and (6) (duty to pay scheme benefits unpaid at assessment date etc.), and

(r) Article 156(4) and (6) (relationship with fraud compensation regime).

Circumstances in which Board assumes responsibility for eligible schemes

4.—(1) Articles 111 (duty to assume responsibility for schemes following insolvency event) and 112 (duty to assume responsibility for schemes following application or notification) apply as if, in paragraph (2) of each Article –

(a) for "responsibility for the scheme" there were substituted "responsibility for the unsecured part", and

(b) in sub-paragraph (a), after "protected liabilities" there were inserted "of that part".

(2) Article 113 (applications and notifications for the purposes of Article 112) applies as if, in paragraph (1), for "responsibility for the scheme" there were substituted "responsibility for the unsecured part".

Restrictions on schemes during the assessment period

5.—(1) Article 118 (directions) applies as if, in paragraph (2), for "the scheme's protected liabilities" there were substituted "the protected liabilities of the unsecured part".

(2) Article 120 (power to validate contraventions of Article 119) applies as if, in paragraph (1), for "the scheme's protected liabilities" there were substituted "the protected liabilities of the unsecured part".

(3) Article 122 (payment of scheme benefits) applies as if –

(a) in paragraph (2)(a), for "responsibility for the scheme" there were substituted "responsibility for the unsecured part";

(b) in paragraph (12)(a), for "member of the scheme" there were substituted "member of the unsecured part".

(4) Article 123 (loans to pay scheme benefits) applies as if, in paragraph (2), after "benefits" in both places where it occurs there were inserted "relating to the unsecured part".

Ill health pensions

6. Article 124 (reviewable ill health pensions) applies as if –

(a) in paragraph (4)(a), for "under the scheme" there were substituted "under the unsecured part";

(b) in paragraph (5), for "responsibility for the scheme" there were substituted "responsibility for the unsecured part".

New schemes created to replace existing schemes

7. Article 131 (new schemes created to replace existing schemes) applies as if, in paragraph (1), after "responsibility for" there were inserted "the unsecured part of".

Reconsideration

8.—(1) Article 135 (application for reconsideration) applies as if, in paragraph (8) –

(a) in the definition of "audited scheme accounts", for "a scheme" there were substituted "an unsecured part", and

(b) in the definition of "protected benefits quotation" –

(i) for "a scheme" there were substituted "an unsecured part";

(ii) for "member of the scheme" there were substituted "member of the unsecured part"; and

(iii) in paragraph (a) of that definition, for "responsibility for the scheme" there were substituted "responsibility for the unsecured part".

(2) Article 136 (duty to assume responsibility following reconsideration) applies as if, in paragraph (9)(b), for "liabilities of the scheme" there were substituted "liabilities of the unsecured part".

Closed schemes

9.—(1) Article 137 (closed schemes) applies as if –

(a) in paragraph (3), for "in respect of the scheme" there were substituted "in respect of the unsecured part"; and

(b) in paragraph (7), in the definition of "full buy-out quotation" –

(i) for "a scheme" there were substituted "an unsecured part"; and

(ii) for "member of the scheme" there were substituted "member of the unsecured part".

(2) Article 140 (valuations of closed schemes) applies as if –

(a) in paragraph (1), for "actuarial valuations of the scheme" there were substituted "actuarial valuations of the unsecured part";

(b) in paragraph (5), for "actuarial valuation of the scheme" there were substituted "actuarial valuation of the unsecured part", and

(c) in paragraph (6) –

(i) for the definition of "actuarial valuation" there were substituted the following definition –