

Draft Regulations laid before Parliament under section 316(2)(d) of the Pensions Act 2004, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2006 No.

PENSIONS

The Pension Protection Fund (Risk-based Pension Protection Levy) Regulations 2006

Made - - - - 2006
Coming into force in
accordance with regulation 1

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 175(3)(b), 315(2) and (4) and 318(1) of the Pensions Act 2004(1);

This instrument contains regulations made before the end of the period of six months beginning with the coming into force of the provisions of that Act by virtue of which it is made(2).

In accordance with section 316(2)(d) of that Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Pension Protection Fund (Risk-based Pension Protection Levy) Regulations 2006 and shall come into force on the day after the day on which they are made.

Matters prescribed for the purposes of assessing the risk-based pension protection levy

2. For the purposes of section 175(2)(a)(iii) of the Pensions Act 2004(3) (pension protection levies - other risk factors), the prescribed matters are—

- (a) the nature of, and
- (b) any risks associated with,

(1) 2004 c.35. Section 318(1) is cited because of the meaning there given to “prescribed” and “regulations”.

(2) See section 317 of the Pensions Act 2004 which provides that the Secretary of State must consult such persons as he considers appropriate before making regulations by virtue of the provisions of that Act (other than Part 8). This duty does not apply where regulations are made before the end of six months beginning with the coming into force of the provisions of the Act by virtue of which the regulations are made.

(3) Section 175 is modified in its application to multi-employer schemes by S.I. 2005/441, amended by S.I. 2005/993 and 2113.

any arrangements which the Board considers may reduce the risk of compensation being payable from the Pension Protection Fund in the event of an insolvency event occurring in respect of an employer in relation to the scheme.

Signed by authority of the Secretary of State for Work and Pensions.

2006

Minister of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in relation to the imposition by the Board of the Pension Protection Fund (“the Board”) of a risk-based pension protection levy, which is a levy assessed by reference to (amongst other things) risk factors prescribed by the Board.

Regulation 2 provides that, when assessing the amount of the risk-based pension protection levy payable by an eligible scheme in accordance with section 175 of the Pensions Act 2004 (c.35) (“the Act”), the Board may take into account the nature of, and any risks associated with, any arrangements which may reduce the risk of compensation being payable from the Pension Protection Fund in the event of an insolvency event occurring in respect of an employer in relation to the scheme.

As these Regulations are made before the expiry of the period of six months beginning with the coming into force of the provisions of the Act by virtue of which the Regulations are made, the requirement for the Secretary of State to consult such persons as he considers appropriate does not apply.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business, charities or voluntary bodies.