
STATUTORY RULES OF NORTHERN IRELAND

2005 No. 91

**The Pension Protection Fund (Multi-employer Schemes)
(Modification) Regulations (Northern Ireland) 2005**

PART IX

MULTI-EMPLOYER SCHEMES: THE PENSION PROTECTION LEVIES

Modification of Articles 158 to 164: segregated schemes

- 73.**—(1) This regulation applies to a segregated scheme.
- (2) In the case of a segregated scheme to which this regulation applies –
- (a) Articles 158 to 164 (pension protection levies) shall have effect as if each section of the scheme were a separate scheme; and
 - (b) references in Article 158 to 164 to “an eligible scheme” shall be read as if they were references to a section of the scheme in circumstances where that section, if it were a scheme, would not be –
 - (i) a money purchase scheme; or
 - (ii) a scheme which is a prescribed scheme or a scheme of a prescribed description under Article 110(1)(b) (eligible schemes).
- (3) For the purposes of this regulation, Article 162 (valuations to determine scheme underfunding) shall be modified so that it shall be read as if in paragraph (1)(a) for “an actuarial valuation of the scheme” there were substituted “an actuarial valuation of the section”.

Modification of Articles 158 to 164: non-segregated schemes

- 74.**—(1) This regulation applies to a multi-employer scheme which is not divided into two or more sections (“a non-segregated scheme”).
- (2) In the case of a scheme to which this regulation applies, references to “an eligible scheme” in Articles 158 to 164 (pension protection levies) are to a non-segregated scheme which –
- (a) is not a money purchase scheme; or
 - (b) is not a prescribed scheme or a scheme of a prescribed description under Article 110(1)(b) (eligible schemes).
- (3) Article 158 shall be modified so that it shall be read as if –
- (a) in the case of a scheme to which this regulation applies, the rules of which contain a requirement for the trustees or managers to segregate such part of the assets as is attributable to the liabilities of the scheme to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members of the scheme by reference to an employer in relation to the scheme which would be triggered when such an employer ceased to participate in the scheme, for sub-paragraph (a) of paragraph (2) there were substituted the following sub-paragraph –

- “(a) a risk-based pension protection levy is a levy assessed by reference to –
 - (i) the difference between the value of the scheme’s assets (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,
 - (ii) where the Board considers it appropriate, the scheme rules containing a requirement for the trustees or managers of the scheme to segregate such part of the assets of the scheme as is attributable to the scheme’s liabilities to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members by reference to an employer in relation to the scheme in circumstances where that employer ceases to participate in the scheme,
 - (iii) except in relation to any prescribed scheme or scheme of a prescribed description, the likelihood of an insolvency event occurring in relation to each employer in relation to the scheme, and
 - (iv) if the Board considers it appropriate, one or more other risk factors mentioned in paragraph (3), and”;
- (b) in the case of a scheme to which this regulation applies, the rules of which give the trustees or managers an option to segregate such part of the assets as is attributable to the liabilities of the section to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members of the section by reference to an employer in relation to that section when an employer in relation to the section ceases to participate in the scheme, for sub-paragraph (a) of paragraph (2) there were substituted the following sub-paragraph –
 - “(a) a risk-based pension protection levy is a levy assessed by reference to –
 - (i) the difference between the value of the scheme’s assets (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,
 - (ii) where the Board considers it appropriate, whether or not the scheme rules containing a requirement for the trustees or managers of the scheme to segregate such part of the assets of the scheme as is attributable to the scheme’s liabilities to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members by reference to an employer in relation to the scheme in circumstances where that employer ceases to participate in the scheme,
 - (iii) except in relation to any prescribed section or section of a prescribed description, the likelihood of an insolvency event occurring in relation to each employer in relation to the scheme, and
 - (iv) if the Board considers it appropriate, one or more other risk factors mentioned in paragraph (3), and”;
- (c) in the case of a scheme to which this regulation applies, the rules of which do not contain a requirement for the trustees or managers to segregate such part of the assets as is attributable to the liabilities of the scheme to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members of the scheme by reference to an employer in relation to that scheme which would be triggered when such an employer ceased to participate in the scheme, for sub-paragraph (a) of paragraph (2), there were substituted the following sub-paragraph –
 - “(a) a risk-based pension protection levy is a levy assessed by reference to –

- (i) the difference between the value of the scheme’s assets (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,
- (ii) except in relation to any prescribed scheme or scheme of a prescribed description, the likelihood of an insolvency event occurring in relation to all the employers in relation to the scheme, and
- (iii) if the Board considers it appropriate, one or more other risk factors mentioned in paragraph (3), and”.

Modification of Articles 158 to 164: multi-employer sections of segregated schemes

75.—(1) This regulation applies to a multi-employer section of a segregated scheme.

(2) Article 158 shall be modified so that it shall be read as if –

- (a) in the case of a section of a scheme to which this regulation applies, the rules of which contain a requirement for the trustees or managers to segregate such part of the assets as is attributable to the liabilities of the section to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members of the section by reference to an employer in relation to that section which would be triggered when an employer in relation to the section ceased to participate in the scheme, for sub-paragraph (a) of paragraph (2) there were substituted the following sub-paragraph –

“(a) a risk-based pension protection levy is a levy assessed by reference to –

- (i) the difference between the value of the assets of the section (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,
- (ii) where the Board considers it appropriate, whether or not the scheme rules relating to the section contain a requirement for the trustees or managers of the scheme to segregate such part of the assets of the section as is attributable to the liabilities of the section to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members by reference to an employer in relation to the section in circumstances where that employer ceases to participate in the scheme,
- (iii) except in relation to any prescribed section or section of a prescribed description, the likelihood of an insolvency event occurring in relation to each employer in relation to the section, and
- (iv) if the Board considers it appropriate, one or more other risk factors mentioned in paragraph (3), and”;

- (b) in the case of a section of a scheme to which this regulation applies, the rules of which give the trustees or managers an option to segregate such part of the assets as is attributable to the liabilities of the section to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members of the section by reference to an employer in relation to that section when an employer in relation to the section ceases to participate in the scheme, for sub-paragraph (a) of paragraph (2) there were substituted the following sub-paragraph –

“(a) a risk-based pension protection levy is a levy assessed by reference to –

- (i) the difference between the value of the assets of the section (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,

- (ii) where the Board considers it appropriate, whether or not the scheme rules relating to the section contain a requirement for the trustees or managers of the scheme to segregate such part of the assets of the section as is attributable to the liabilities of the section to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members by reference to an employer in relation to the section in circumstances where that employer ceases to participate in the scheme,
 - (iii) except in relation to any prescribed section or section of a prescribed description, the likelihood of an insolvency event occurring in relation to each employer in relation to the section, and
 - (iv) if the Board considers it appropriate, one or more other risk factors mentioned in paragraph (3), and”;
- (c) in the case of a section of a scheme to which this regulation applies, the rules of which do not contain a requirement for the trustees or managers to segregate such part of the assets as is attributable to the liabilities of the section to provide pensions or other benefits to or in respect of the pensionable service of some or all of the members of the section by reference to an employer in relation to that section which would be triggered when an employer in relation to the section ceased to participate in the scheme, for sub-paragraph (a) of paragraph (2), there were substituted the following sub-paragraph –
 - “(a) a risk-based pension protection levy is a levy assessed by reference to –
 - (i) the difference between the value of the assets of the section (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,
 - (ii) except in relation to any prescribed section or section of a prescribed description, the likelihood of an insolvency event occurring in relation to all the employers in relation to the section, and
 - (iii) if the Board considers it appropriate, one or more other risk factors mentioned in paragraph (3), and”.