
DRAFT STATUTORY INSTRUMENTS

2005 No.

The Pensions (Northern Ireland) Order 2005

PART III

THE BOARD OF THE PENSION PROTECTION FUND

CHAPTER 4

FRAUD COMPENSATION

Entitlement to fraud compensation

Board's powers to make fraud compensation transfer payments

170.—(1) This Article applies where—

- (a) the Board assumes responsibility for a scheme in accordance with Chapter 3,
- (b) the value of the assets of the scheme was reduced after the relevant date but before the transfer notice (within the meaning of Article 144) was received by the trustees or managers of the scheme and there are reasonable grounds for believing that the reduction was attributable to an act or omission constituting an offence prescribed for the purposes of Article 165(1)(b), and
- (c) no application was made under Article 165 in respect of that reduction (or any such application was withdrawn before it was determined).

(2) The Board may transfer an amount from the Fraud Compensation Fund to the Pension Protection Fund (“fraud compensation transfer payment”) in respect of the reduction in value, subject to the provisions of this Article.

(3) The Board must obtain any recoveries of value, to the extent that it may do so without disproportionate cost and within a reasonable time.

(4) No fraud compensation transfer payment may be made until the date determined by the Board as the date after which further recoveries of value are unlikely to be obtained without disproportionate cost and within a reasonable time.

(5) In this Article “recovery of value” means any increase in the value of the Pension Protection Fund, being an increase attributable to any payment received (otherwise than under this Article) by the Board in respect of any act or omission—

- (a) which there are reasonable grounds for believing constituted an offence prescribed for the purposes of Article 165(1)(b), and
- (b) to which any reduction in value falling within paragraph (1)(b) was attributable.

(6) It is for the Board to determine whether anything received by it is to be treated as a payment received in respect of any such act or omission.

For this purpose “payment” includes any money or money’s worth.

(7) The amount of any fraud compensation transfer payment (or, if there is more than one, the aggregate) must not exceed the difference between—

- (a) the amount of the reduction (or, if more than one, the aggregate amount of the reductions) within paragraph (1)(b), and
- (b) the amount of any recoveries of value obtained by the Board before the date determined by the Board under paragraph (4).

(8) Subject to paragraph (7), the Board must determine the amount of any fraud compensation transfer payment in accordance with regulations made for the purposes of this paragraph.

(9) In this Article “the relevant date” has the meaning given by Article 165(10).