
DRAFT STATUTORY INSTRUMENTS

2005 No.

The Pensions (Northern Ireland) Order 2005

PART III

THE BOARD OF THE PENSION PROTECTION FUND

CHAPTER 3

PENSION PROTECTION

Discharge of Board's liabilities

Discharge of liabilities in respect of compensation

153.—(1) This Article applies where the Board assumes responsibility for an eligible scheme in accordance with this Chapter.

(2) The Board may provide for the discharge of any liability imposed by this Chapter to provide compensation—

- (a) by the taking out of a policy of insurance or a number of such policies;
- (b) by the entry into an annuity contract or a number of such contracts;
- (c) by the transfer of the benefit of such a policy or policies or such a contract or contracts;
- (d) in prescribed circumstances, by the payment of a cash sum calculated in the prescribed manner.

Discharge of liabilities in respect of money purchase benefits

154.—(1) This paragraph applies where—

- (a) the Board assumes responsibility for an eligible scheme in accordance with this Chapter, and
- (b) one or more members are entitled, or have accrued rights, under the scheme rules to money purchase benefits.

(2) Regulations must make provision in respect of cases to which paragraph (1) applies requiring the Board to secure that liabilities in respect of such benefits transferred to the Board under Article 145 are discharged by it in the prescribed manner.

(3) The provision made under paragraph (2) must include provision prescribing the manner in which protected rights are to be given effect to.

(4) In this Article—

“accrued rights”, under the scheme rules, include pension credit rights within the meaning of Article 121(1) of the 1995 Order;

“protected rights” has the meaning given by section 6 of the Pension Schemes Act (protected rights and money purchase benefits).