

*Status: Point in time view as at 06/04/2015.*

*Changes to legislation: Pensions Act 2004, Paragraph 15 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 7

#### PENSION COMPENSATION PROVISIONS

##### Modifications etc. (not altering text)

- C1 Sch. 7 amendment to earlier affecting provision S.I. 2005/652, reg. 14(2) (1.4.2005) by [The Occupational Pension Schemes and Pension Protection Fund \(Amendment\) Regulations 2005 \(S.I. 2005/993\)](#), regs. 1(1), 7
- C1 Sch. 7 modified (1.8.2006) by [The Pension Protection Fund \(Pension Sharing\) Regulations 2006 \(S.I. 2006/1690\)](#), regs. 1(1), 3
- C1 Sch. 7 applied (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **42(1)**, 53, 57 (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c. 19 - see S.I. 2014/1683, art. 2
- C1 Sch. 7 modified (6.4.2005) by [The Pension Protection Fund \(Reviewable Ill Health Pensions\) Regulations 2005 \(S.I. 2005/652\)](#), regs. 1(1), **15**
- C4 Sch. 7 applied (with modifications) (6.4.2005) by [The Pension Protection Fund \(Reviewable Ill Health Pensions\) Regulations 2005 \(S.I. 2005/652\)](#), regs. 1(1), **14(2)**
- C5 Sch. 7 modified (6.4.2005) by [The Pension Protection Fund \(Compensation\) Regulations 2005 \(S.I. 2005/670\)](#), regs. 1(1), **12** (with reg. 23(3))
- C6 Sch. 7 applied (with modifications) (6.4.2005) by [The Pension Protection Fund \(Hybrid Schemes\) \(Modification\) Regulations 2005 \(S.I. 2005/449\)](#), regs. 1(1), **3(2)-(4)**
- C7 Sch. 7 applied (with modifications) (6.4.2005) by [The Pension Protection Fund \(Reviewable Ill Health Pensions\) Regulations 2005 \(S.I. 2005/652\)](#), regs. 1(1), **13(1)**

##### *Deferred members who have not attained normal pension age at assessment date*

- 15 (1) Compensation is payable in accordance with this paragraph where, under the admissible rules of the scheme, a person who is a deferred member immediately before the assessment date has not attained normal pension age, in respect of his rights to a pension under the scheme, before that date.
- (2) If that person (“the deferred member”) survives to attain normal pension age in respect of that pension (“the pension”), he is entitled to periodic compensation in respect of the pension commencing at that age and continuing for life.
- (3) The annual rate of the periodic compensation is 90% of the aggregate of—
- (a) the protected pension rate,<sup>F1</sup>...
  - [<sup>F2</sup>(aa) if the commencement of periodic compensation under this paragraph has been postponed for any period by virtue of paragraph 25A, the amount of the actuarial increase under that paragraph, and]
  - (b) any increases under paragraph 28 (annual increases in periodic compensation).
- (4) In sub-paragraph (3) “the protected pension rate” means the aggregate of—

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- (a) the accrued amount,
  - (b) the revaluation amount for the first revaluation period (see paragraph 16), and
  - (c) the revaluation amount for the second revaluation period (see paragraph 17).
- (5) In sub-paragraph (4) “the accrued amount” means an amount equal to the initial annual rate of the pension to which the deferred member would have been entitled in accordance with the admissible rules had he attained normal pension age when the pensionable service relating to the pension ended.
- (6) This paragraph is subject to—
- paragraph 24 (commutation),
  - [<sup>F3</sup>paragraph 25E (terminal illness lump sum),]
  - paragraph 26 (compensation cap), and
  - paragraph 30 (power of Secretary of State to change percentage rates by order).

#### Textual Amendments

- F1** Word in Sch. 7 para. 15(3)(a) omitted (13.3.2013) by virtue of [Pensions Act 2011 \(c. 19\)](#), s. 38(4), [Sch. 4 para. 23\(7\)\(a\)](#); [S.I. 2013/585](#), art. 2(b)(ii)
- F2** Sch. 7 para. 15(3)(aa) inserted (13.3.2013) by [Pensions Act 2011 \(c. 19\)](#), s. 38(4), [Sch. 4 para. 23\(7\)\(b\)](#); [S.I. 2013/585](#), art. 2(b)(ii)
- F3** Words in Sch. 7 para. 15(6) inserted (1.4.2009) by [Pensions Act 2008 \(c. 30\)](#), s. 149(1), [Sch. 8 para. 7](#); [S.I. 2009/809](#), art. 2(1)(b)(i)

#### Modifications etc. (not altering text)

- C2** Sch. 7 para. 15 modified (6.4.2005) by [The Pension Protection Fund \(Compensation\) Regulations 2005 \(S.I. 2005/670\)](#), regs. 1(1), [25\(2\)\(b\)](#) (with [reg. 23\(3\)](#)) (as amended (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), [60\(5\)\(c\)](#) (with [regs. 6, 41, 44\(1\), 47\(1\), 69\(2\), 72\(1\), 76\(1\)](#)); coming into force immediately after s. 29 of 2011 c 19 - see [S.I. 2014/1683](#), art. 2)
- C3** Sch. 7 para. 15 applied (with modifications) (6.4.2005) by [The Pension Protection Fund \(Reviewable Ill Health Pensions\) Regulations 2005 \(S.I. 2005/652\)](#), regs. 1(1), [12](#)

#### Commencement Information

- I1** Sch. 7 para. 15 in force at 6.4.2005 by [S.I. 2005/275](#), art. 2(7), [Sch. Pt. 7](#)

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