



Pensions Act 2004

2004 CHAPTER 35

PART 1

THE PENSIONS REGULATOR

Financial support directions

44 Meaning of “service company” and “insufficiently resourced”

- (1) This section applies for the purposes of section 43 (financial support directions).
- (2) An employer (“E”) is a “service company” at the relevant time if—
 - (a) E is a company within the meaning given by section 735(1) of the Companies Act 1985 (c. 6),
 - (b) E is a member of a group of companies, and
 - (c) E’s turnover, as shown in the latest available accounts for E prepared in accordance with section 226 of that Act, is solely or principally derived from amounts charged for the provision of the services of employees of E to other members of that group.
- (3) The employer in relation to a scheme is insufficiently resourced at the relevant time if—
 - (a) at that time the value of the resources of the employer is less than the amount which is a prescribed percentage of the estimated section 75 debt in relation to the scheme, and
 - (b) there is at that time a person who falls within subsection (6)(b) or (c) of section 43 and the value at that time of that person’s resources is not less than the amount which is the difference between—
 - (i) the value of the resources of the employer, and
 - (ii) the amount which is the prescribed percentage of the estimated section 75 debt.
- (4) For the purposes of subsection (3)—

Status: Point in time view as at 10/02/2005. This version of this provision has been superseded.

Changes to legislation: Pensions Act 2004, Section 44 is up to date with all changes known to be in force on or before 06 June 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)

- (a) what constitutes the resources of a person is to be determined in accordance with regulations, and
 - (b) the value of a person's resources is to be determined, calculated and verified in a prescribed manner.
- (5) In this section the “estimated section 75 debt”, in relation to a scheme, means the amount which the Regulator estimates to be the amount of the debt which would become due from the employer to the trustees or managers of the scheme under section 75 of the Pensions Act 1995 (c. 26) (deficiencies in the scheme assets) if—
- (a) subsection (2) of that section applied, and
 - (b) the time designated by the trustees or managers of the scheme for the purposes of that subsection were the relevant time.
- (6) When calculating the estimated section 75 debt in relation to a scheme under subsection (5), the amount of any debt due at the relevant time from the employer under section 75 of the Pensions Act 1995 (c. 26) is to be disregarded.
- (7) In this section “the relevant time” has the same meaning as in section 43.

Commencement Information

- II** S. 44(3)(a)(4) in force for the purpose only of conferring power to make regulations, orders or rules, as the case may be, 10.2.2005; and for all other purposes at 6.4.2005 in so far as not already in force by [S.I. 2005/275](#), art. 2(3), [Sch. Pt. 3](#)

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