

2005 No. 1610

PENSIONS

The Pension Protection Fund (Payments to meet Investment Costs) Regulations 2005

<i>Made</i> - - - -	<i>13th June 2005</i>
<i>Laid before Parliament</i>	<i>16th June 2005</i>
<i>Coming into force</i> - -	<i>7th July 2005</i>

The Secretary of State for Work and Pensions, in exercise of the powers conferred upon him by sections 173(3)(k), 315(2) and (4) and 318(1) of the Pensions Act 2004(a), and of all other powers enabling him in that behalf, by this instrument, which contains regulations made before the end of the period of six months beginning with the coming into force of the provisions of that Act by virtue of which they are made(b), makes the following Regulations:

Citation, commencement, extent and interpretation

1.—(1) These Regulations may be cited as the Pension Protection Fund (Payments to meet Investment Costs) Regulations 2005 and shall come into force on 7th July 2005.

(2) These Regulations extend to England, Wales, Scotland and Northern Ireland(c).

(3) In these Regulations—

“the Act” means the Pensions Act 2004;

“the Fund” means the Pension Protection Fund;

“custodian” means an individual who or firm which is appointed by the Board to safeguard and administer the investment of the Fund, where the Fund is being managed by a fund manager.

Payments to fund managers and custodians

2. The Board may pay from the Fund any sum required to make payments in accordance with a contract entered into with a fund manager or custodian where—

(a) the fund manager or custodian was appointed for the purposes of section 113(1) of the Act (investment of funds); and

(b) the contract entered into only contains terms which are necessary for the prudent management of the Fund’s financial affairs.

(a) 2004 c.35. Section 318(1) is cited for the meaning there given to the terms “prescribed” and “regulations”.

(b) See section 317(1) of the Pensions Act 2004 which provides that the Secretary of State must consult such persons as he considers appropriate before making regulations by virtue of the provisions of that Act (other than Part 8). This duty does not apply where regulations are made before the end of six months beginning with the coming into force of the provisions of that Act by virtue of which the regulations are made.

(c) See section 323(2) of the Pensions Act 2004 which provides that section 173 extends to Northern Ireland.

Signed by authority of the Secretary of State for Work and Pensions.

13 June 2005

James Plaskitt
Parliamentary-Under Secretary of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the Board of the Pension Protection Fund (“the Board”) to make payments from the Pension Protection Fund (“the Fund”) to fund managers or custodians in relation to contractual liabilities relating to the investment of the Fund. The contracts entered into must be necessary for the prudent management of the Fund.

The Board is required by section 113(4) of the Pensions Act 2004 (c.35) (“the Act”) to appoint a minimum of two fund managers.

As these Regulations are made before the expiry of the period of six months beginning with the coming into force of the provisions of the Act by virtue of which they are made, the requirement for the Secretary of State to consult such persons as he considers appropriate does not apply.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business.

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