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STATUTORY INSTRUMENTS

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**2005 No. 441**

**The Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations 2005**

**PART 4**

**SEGREGATED SCHEMES:**

**NON-SEGREGATED MULTI-EMPLOYER SECTIONS OF  
SEGREGATED SCHEMES WITH REQUIREMENT FOR PARTIAL  
WIND UP ON WITHDRAWAL OF PARTICIPATING EMPLOYER**

**Valuation of assets**

**38.**—(1) Section 143 of the Act (Board's obligation to obtain valuation of assets and protected liabilities) shall be modified in its application to a segregated part to which regulation 28 applies, so that it shall be read as if—

(a) for subsection (1), there were substituted the following subsection—

“(1) This section applies in a case within subsection (1) of section 127 or 128 which relates to a segregated part of a multi-employer section of a segregated scheme.”;

[<sup>F1</sup>(b) for subsection (2), there were substituted the following subsection—

“(2) For the purposes of determining whether the condition in subsection (2)(a) of the section in question is satisfied, the Board must, as soon as reasonably practicable, obtain an actuarial valuation of the section as a whole and of the segregated part as at the relevant time.”;]

[<sup>F2</sup>(ba) subsection (2A) were omitted;

(bb) for the words “a determination made under subsection (2)(a) or an actuarial valuation obtained under subsection (2)(b)” in subsection (4), there were substituted the words “this section”;

(bc) subsection (5C) were omitted;

(bd) in subsection (6), the words “for the purposes of an actuarial valuation obtained under subsection (2)(b)” were omitted;]

(c) for the words “the scheme's liabilities” in subsection (7), there were substituted the words “the liabilities of the scheme or the segregated part”; <sup>F3</sup>...

[<sup>F4</sup>(ca) in subsection (9)–

(i) for the words “requires a determination to be made, or an”, there were substituted the words “requires the”, and

(ii) the words “the determination or” were omitted;

(cb) for the words “requires a determination to be made, or an” in subsection (10), there were substituted the words “requires the”;

(d) in subsection (11)—

(i) for the words “ “actuarial valuation”, in relation to the scheme, means a written valuation of the assets and protected liabilities of the scheme” in paragraph (a), there were substituted the words “ “actuarial valuation”, in relation to the section as a whole and the segregated part, means a written valuation of the assets and protected liabilities of the section as a whole and the segregated part ”;

[<sup>F5</sup>(ia) the words “makes a determination under subsection (2)(a) or” in paragraph (b)(ii) were omitted; and]

(ii) the word “ and ” at the end of paragraph (c)(ii) were omitted; and

(iii) after paragraph (d), there were inserted the following paragraph—

“(e) “protected liabilities” means, in relation to a multi-employer section of a segregated scheme, the cost of securing benefits for and in respect of members of the section which correspond to the compensation which would be payable, in relation to the section, in accordance with the pension compensation provisions (see section 162) if the Board assumed responsibility for the section in accordance with this Chapter.”.

(2) Section 144 of the Act (approval of valuation) shall be modified in its application to a segregated part to which regulation 28 applies so that it shall be read as if—

[<sup>F6</sup>(a) for the words “obtains a valuation in respect of a scheme under section 143(2)(b)” in subsection (1), there were substituted the words “obtains a valuation or a further valuation in respect of the section as a whole and of the segregated part under section 143”; and]

(b) after subsection (2), there were inserted the following subsection—

“(2A) Where the trustees or managers of a segregated part of a multi-employer section of a segregated scheme receive a copy of a valuation from the Board under subsection (2), they must send a further copy of that valuation as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

(3) Section 145 of the Act (binding valuations) shall be modified in its application to a segregated part to which regulation 28 applies so that it shall be read as if—

[<sup>F7</sup>(a) for the words “a valuation obtained under section 143(2)(b) is not binding” in subsection (1), there were substituted the words “a valuation or a further valuation obtained under section 143 of the section as a whole and of the segregated part is not binding”];

(b) for the words “in relation to a scheme” in subsection (2), there were substituted the words “ in relation to a multi-employer section of a segregated scheme in relation to which there is a segregated part ”; and

(c) after subsection (3), there were inserted the following subsection—

“(3A) Where the trustees or managers of a segregated part of a multi-employer section of a segregated scheme receive a notice from the Board under subsection (3) together with a copy of the binding valuation, they must send a copy of the notice and the binding valuation as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

#### Textual Amendments

**F1** Reg. 38(1)(b) substituted (24.1.2013) by [The Pension Protection Fund \(Miscellaneous Amendments\) \(No. 2\) Regulations 2012 \(S.I. 2012/3083\)](#), regs. 1(2)(b), **2(10)(a)** (with regs. 9(2), 10)

**F2** Reg. 38(1)(ba)-(bd) inserted (24.1.2013) by [The Pension Protection Fund \(Miscellaneous Amendments\) \(No. 2\) Regulations 2012 \(S.I. 2012/3083\)](#), regs. 1(2)(b), **2(10)(b)** (with regs. 9(2), 10)

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**Changes to legislation:** There are currently no known outstanding effects for the The Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations 2005, Section 38. (See end of Document for details)

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- F3** Word in reg. 38(1)(c) omitted (24.1.2013) by virtue of The Pension Protection Fund (Miscellaneous Amendments) (No. 2) Regulations 2012 (S.I. 2012/3083), regs. 1(2)(b), **2(10)(c)** (with regs. 9(2), 10)
- F4** Reg. 38(1)(ca)(cb) inserted (24.1.2013) by The Pension Protection Fund (Miscellaneous Amendments) (No. 2) Regulations 2012 (S.I. 2012/3083), regs. 1(2)(b), **2(10)(d)** (with regs. 9(2), 10)
- F5** Reg. 38(1)(d)(ia) inserted (24.1.2013) by The Pension Protection Fund (Miscellaneous Amendments) (No. 2) Regulations 2012 (S.I. 2012/3083), regs. 1(2)(b), **2(10)(e)** (with regs. 9(2), 10)
- F6** Reg. 38(2)(a) substituted (24.1.2013) by The Pension Protection Fund (Miscellaneous Amendments) (No. 2) Regulations 2012 (S.I. 2012/3083), regs. 1(2)(b), **2(10)(f)** (with regs. 9(2), 10)
- F7** Reg. 38(3)(a) substituted (24.1.2013) by The Pension Protection Fund (Miscellaneous Amendments) (No. 2) Regulations 2012 (S.I. 2012/3083), regs. 1(2)(b), **2(10)(g)** (with regs. 9(2), 10)

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**Commencement Information**

- I1** Reg. 38 wholly in force at 6.4.2005; reg. 38 not in force at made date; reg. 38(1)(d)(i) in force at 9.3.2005 for certain purposes and reg. 38 in force at 6.4.2005 in so far as not already in force, see reg. 1(1)(a)(d)

**Changes to legislation:**

There are currently no known outstanding effects for the The Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations 2005, Section 38.