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STATUTORY INSTRUMENTS

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**2005 No. 441**

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

**PART 5**

**NON-SEGREGATED SCHEMES:**

**SCHEMES WITH A REQUIREMENT FOR PARTIAL WIND UP  
ON THE WITHDRAWAL OF A PARTICIPATING EMPLOYER**

**Valuation of assets**

**54.**—(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 45 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 non-segregated scheme.”; and
- (b) after the words “the scheme” in subsection (2), there were inserted the words “as a whole and of the segregated part”;
- (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”; and
- (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 scheme as a whole and the segregated part, means a written valuation of the assets and protected liabilities of the scheme as a whole and the segregated part”;
  - (ii) the word “and” at the end of paragraph (c)(ii) were omitted; and
  - (iii) after paragraph (d), there were added the following paragraph—
    - “(e) “protected liabilities” means, in relation to a non-segregated scheme, the cost of securing benefits for and in respect of members of the scheme which correspond to the compensation which would be payable, in relation to the scheme, in accordance with the pension compensation provisions (see section 162) if the Board assumed responsibility for the scheme 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 45 applies so that it shall be read as if—

- (a) for the words “obtains a valuation in respect of a scheme under section 143” in subsection (1), there were substituted the words “obtains a valuation or a further valuation in respect of the scheme 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 non-segregated scheme receive a copy of a valuation from the Board under subsection (2), they must send a copy of that valuation as soon as practicable 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 45 applies so that it shall be read as if—

(a) for the words “a valuation obtained under section 143 is not binding” in subsection (1), there were substituted the words “a valuation or further valuation obtained under section 143 in relation to the scheme 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 non-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 non-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 that notice and the binding valuation as soon as practicable to all the employers in relation to the scheme.”.