

## STATUTORY INSTRUMENTS

# 2005 No. 670

## The Pension Protection Fund (Compensation) Regulations 2005

### PART 5

#### Revaluation

[<sup>F1</sup>12A. In this Part, where the Secretary of State makes a decision about the manner in which the general level of prices in Great Britain is to be determined, the Secretary of State shall publish that decision.]

#### Textual Amendments

- F1** Reg. 12A inserted (31.3.2011) by [The Pension Protection Fund \(Revaluation Amendments\) Regulations 2011 \(S.I. 2011/554\)](#), regs. 1, 3

#### **Manner of determining the revaluation percentage in the case of active members who have not attained normal pension age at assessment date**

13. [<sup>F2</sup>Subject to regulation 15B,] for the purposes of paragraph 12(4)(a) of Schedule 7 to the Act (determination of revaluation percentage in the case of active members who have not attained normal pension age at assessment date) the manner prescribed for the determination of the percentage increase in the general level of prices in Great Britain during the revaluation period is—

$$100x(A / B)-100$$

where—

a A is the level of the [<sup>F3</sup>general level of prices in Great Britain determined in such manner as the Secretary of State may from time to time decide] for the month which falls two months before the month in which the active member—

- (i) attains normal pension age in respect of the payment of the periodic compensation or, as the case may be, the lump sum compensation; or
  - (ii) becomes entitled to—
    - a periodic compensation under paragraph 11; or
    - b lump sum compensation under paragraph 14,  
under Schedule 7 to the Act calculated in accordance with paragraph 25 of Schedule 7 to the Act (early payment of compensation) and regulations made under that paragraph; and
- b B is the level of the [<sup>F3</sup>general level of prices in Great Britain determined in such manner as the Secretary of State may from time to time decide] for the month two months before the month during which the assessment date falls.

#### Textual Amendments

- F2** Words in reg. 13 inserted (31.3.2011) by [The Pension Protection Fund \(Revaluation Amendments\) Regulations 2011 \(S.I. 2011/554\)](#), regs. 1, **4(a)**
- F3** Words in reg. 13 substituted (31.3.2011) by [The Pension Protection Fund \(Revaluation Amendments\) Regulations 2011 \(S.I. 2011/554\)](#), regs. 1, **4(b)**

#### **[<sup>F4</sup>Active members below normal pension age: cases where it is unclear whether pensionable service is attributable to periods on or after 6th April 2009**

**13A.—(1)** This regulation applies for the purposes of paragraph 12(3A)(b) of Schedule 7 to the Act (cases where it is unclear whether pensionable service is attributable to periods before 6th April 2009) in the case of active members who have not attained normal pension age at the assessment date.

(2) Where this regulation applies, in any case where it is unclear whether any particular pensionable service (either actual or notional) falls, or is to be treated for the purposes of the scheme as falling, on or after 6th April 2009, the Board may determine as best as it is able, having regard to the admissible rules and all the circumstances of the case, how much of the service or notional service concerned should be treated for the purposes of paragraph 12(3)(b) of Schedule 7 to the Act as having occurred on or after 6th April 2009.]

#### Textual Amendments

- F4** Reg. 13A inserted (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **60(2)** (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

#### **Manner of determining the revaluation amount**

**14.—(1)** Subject to paragraph (2), for the purposes of paragraph 16(3)(b) of Schedule 7 to the Act (determination of revaluation amount for the first revaluation period in the case of deferred members who have not attained normal pension age at assessment date), the manner prescribed for the determination of the revaluation amount for the first revaluation period is the manner in which that revaluation amount would have been determined under the admissible rules of the scheme.

(2) For the purposes of paragraph (1) references under the admissible rules of the scheme to normal pension age shall be applied as if they were references to the assessment date.

#### **Manner of determining the [<sup>F5</sup>higher] revaluation percentage in the case of deferred members who have not attained normal pension age at assessment date**

**15.** [<sup>F6</sup>Subject to regulation 15B,] for the purposes of [<sup>F7</sup>paragraph (a) of the definition of “higher revaluation percentage” in paragraph 17(4)] of Schedule 7 to the Act (determination of revaluation percentage in the case of deferred members who have not attained normal pension age at assessment date) the manner prescribed for the determination of the percentage increase in the general level of prices in Great Britain during the revaluation period is—

$$100x(A / B)-100$$

where—

a A is the level of the [<sup>F8</sup>general level of prices in Great Britain determined in such manner as the Secretary of State may from time to time decide] for the month which falls two months before the month during which the deferred member—

- (i) attains normal pension age in respect of the payment of the periodic compensation or, as the case may be, the lump sum compensation; or
- (ii) becomes entitled to—
  - a periodic compensation under paragraph 15; or
  - b lump sum compensation under paragraph 19,of Schedule 7 to the Act calculated in accordance with paragraph 25 of Schedule 7 to the Act and regulations made under that paragraph; and

b B is the level of the [<sup>F8</sup>general level of prices in Great Britain determined in such manner as the Secretary of State may from time to time decide] for the month two months before the month during which the assessment date falls.

#### Textual Amendments

- F5** Word in reg. 15 inserted (26.3.2009) by [Pensions Act 2008 \(Commencement No.3 and Consequential Provisions\) Order 2009 \(S.I. 2009/809\)](#), [art. 3\(1\)\(3\)](#)
- F6** Words in reg. 15 inserted (31.3.2011) by [The Pension Protection Fund \(Revaluation Amendments\) Regulations 2011 \(S.I. 2011/554\)](#), [regs. 1, 5\(a\)](#)
- F7** Words in reg. 15 substituted (26.3.2009) by [Pensions Act 2008 \(Commencement No.3 and Consequential Provisions\) Order 2009 \(S.I. 2009/809\)](#), [art. 3\(2\)\(3\)](#)
- F8** Words in reg. 15 substituted (31.3.2011) by [The Pension Protection Fund \(Revaluation Amendments\) Regulations 2011 \(S.I. 2011/554\)](#), [regs. 1, 5\(b\)](#)

#### [<sup>F9</sup>Deferred members below normal pension age: cases where it is unclear whether pensionable service is attributable to periods on or after 6th April 2009

**15ZA.—**(1) This regulation applies where it is unclear whether—

- (a) pensionable service is attributable to periods before, or on or after 6th April 2009, in the case of deferred members and pension credit members who have not attained normal pension age or normal benefit age at the assessment date;
- (b) any particular pensionable service (whether actual or notional) falls, or is to be treated as falling, for the purposes of the scheme, on or after 6th April 2009; or
- (c) pension credit rights are to be treated for the purposes of the scheme as derived from rights attributable to pensionable service of the transferor (whether actual or notional) falling or to be treated as falling on or after 6th April 2009.

(2) Where this regulation applies, the Board may determine as best as it is able, having regard to the admissible rules and all the circumstances of the case, how much of the service or notional service concerned should be treated for the purposes of paragraph 17(3)(b) of Schedule 7 to the Act as having occurred on or after 6th April 2009.]

#### Textual Amendments

- F9** Reg. 15ZA inserted (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), [regs. 1\(1\), 60\(3\)](#) (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

### [<sup>F10</sup>Modification of Schedule 7 for schemes with no revaluation

**15A.**—(1) Where, immediately before the assessment date, the admissible rules of the scheme do not provide for any revaluation of the benefits payable to or in respect of any member, Schedule 7 to the Act is modified in its application to that scheme in accordance with this regulation.

(2) Paragraph 11 (active members who have not attained normal pension age at assessment date: periodic compensation) applies to that scheme as if for sub-paragraph (4), there were substituted—

“(4) In sub-paragraph (3) “the protected notional pension” means the accrued amount.”.

(3) Paragraph 14 (active members who have not attained normal pension age at assessment date: lump sum compensation) applies to that scheme as if—

(a) for sub-paragraph (4), there were substituted—

“(4) In sub-paragraph (3) “the protected amount” means the accrued amount.”; and

(b) sub-paragraph (8) were omitted.

(4) Paragraph 15 (deferred members who have not attained normal pension age at assessment date: periodic compensation) applies to that scheme as if for sub-paragraph (4), there were substituted—

“(4) In sub-paragraph (3) “the protected pension rate” means the accrued amount.”.

(5) Paragraph 19 (deferred members who have not attained normal pension age at assessment date: lump sum compensation) applies to that scheme as if—

(a) for sub-paragraph (4), there were substituted—

“(4) In sub-paragraph (3) “the protected amount” means the accrued amount.”; and

(b) sub-paragraph (6) were omitted.

(6) Schedule 7 applies to that scheme as if paragraphs 12, 16, 17 and 21(2)(b) and (f) were omitted.]

#### Textual Amendments

**F10** Reg. 15A and cross-heading inserted (1.4.2009) by [Pension Protection Fund \(Miscellaneous Amendments\) Regulations 2009 \(S.I. 2009/451\)](#), regs. 1, **3(2)**

### [<sup>F11</sup>Determination of the revaluation percentage in respect of certain periods

**15B.**—(1) This regulation applies where any revaluation period referred to in regulations 13 and 15 includes a period which falls before 31st March 2011.

(2) Where this regulation applies, revaluation in respect of the period which falls before 31st March 2011 shall be determined in accordance with regulations 13 and 15 as modified by paragraph (4).

(3) Where this regulation applies, revaluation in respect of the period which begins on 31st March 2011 shall be determined in accordance with regulations 13 and 15 as modified by paragraph (5).

[<sup>F12</sup>(3A) Where this regulation applies and it is unclear whether any particular—

(a) pensionable service (whether actual or notional) is to be treated for the purposes of the scheme as service falling before 31st March 2011 (to be revalued in accordance with paragraph (2)), or service falling on or after that date (to be revalued in accordance with paragraph (3)); or

(b) pension credit rights are derived from rights attributable to pensionable service of the transferor (whether actual or notional) falling before 31st March 2011, or from rights attributable to pensionable service falling on or after that date, revaluation shall be determined in accordance with regulations 13 and 15 as modified by paragraphs (4) to (6).]

(4) For the purposes of paragraph (2)—

(a) regulation 13 is modified as follows—

(i) omit the words “Subject to regulation 15B,”; and

(ii) for paragraphs (a) and (b) substitute—

“(a) A is the level of the retail prices index for January 2011; and

(b) B is the level of the retail prices index for the month which falls two months before the month during which the assessment date falls.”; and

(b) regulation 15 is modified as follows—

(i) omit the words “Subject to regulation 15B,”; and

(ii) for paragraphs (a) and (b) substitute—

“(a) A is the level of the retail prices index for January 2011; and

(b) B is the level of the retail prices index for the month which falls two months before the month during which the assessment date falls.”.

(5) For the purposes of paragraph (3)—

(a) regulation 13 is modified as follows—

(i) omit the words “Subject to regulation 15B,”; and

(ii) for paragraph (b) substitute—

“(b) B is the level of the general level of prices in Great Britain for January 2011 determined in such manner as the Secretary of State may from time to time decide.”; and

(b) regulation 15 is modified as follows—

(i) omit the words “Subject to regulation 15B,”; and

(ii) for paragraph (b) substitute—

“(b) B is the level of the general level of prices in Great Britain for January 2011 determined in such manner as the Secretary of State may from time to time decide.”.]

[<sup>F13</sup>(6) For the purposes of paragraph (3A) regulations 13 and 15 are modified as follows—

(a) each regulation becomes paragraph (1) of that regulation; and

(b) after paragraph (1) of each regulation, insert—

“(2) In any case where it is unclear whether—

(a) any particular pensionable service (whether actual or notional) is to be treated for the purposes of the scheme as service falling before 31st March 2011, or service falling on or after that date; or

(b) pension credit rights are derived from rights attributable to pensionable service of the transferor (whether actual or notional) falling before 31st March 2011, or from rights attributable to pensionable service falling on or after that date,

the Board may determine as best as it is able, having regard to the admissible rules and all the circumstances of the case, how much of the service or notional service concerned

should be treated for the purposes of this regulation as having occurred before 31st March 2011 and how much on or after that date.”.]

**Textual Amendments**

- F11** Reg. 15B and cross-heading inserted (31.3.2011) by [The Pension Protection Fund \(Revaluation Amendments\) Regulations 2011 \(S.I. 2011/554\)](#), regs. 1, **6**
- F12** Reg. 15B(3A) inserted (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **60(4)(a)** (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
- F13** Reg. 15B(6) inserted (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **60(4)(b)** (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

**Changes to legislation:**

There are currently no known outstanding effects for the The Pension Protection Fund (Compensation) Regulations 2005, PART 5.