
STATUTORY INSTRUMENTS

2005 No. 670

The Pension Protection Fund (Compensation) Regulations 2005

PART 7

Commutation

Circumstances in which the portion of compensation to be commuted may exceed 25 per cent

20.—(1) The prescribed circumstances for the purposes of paragraph 24(2) of Schedule 7 to the Act are that the aggregate value of—

- (a) any periodic compensation payable to the person in respect of a pension to which he is entitled under—
 - (i) the admissible rules of the scheme; or
 - (ii) the admissible rules of a connected occupational pension scheme;
- (b) any compensation payable to that person as a lump sum in respect of a pension to which he is entitled under—
 - (i) the admissible rules of the scheme; or
 - (ii) the admissible rules of a connected occupational pension scheme; and
- (c) any other benefits, including money purchase benefits, payable to that person under—
 - (i) the scheme rules; or
 - (ii) the rules of a connected occupational pension scheme,is less than £260 per annum.

(2) For the purposes of this regulation—

- (a) the value of any—
 - (i) periodic compensation;
 - (ii) compensation; and
 - (iii) other benefits,is the value at the time at which periodic compensation becomes payable in respect of the pension under paragraph 5, 8, 11 or 15 of Schedule 7;
- (b) the value of any compensation or benefit payable as a lump sum means the annualised actuarially equivalent amount of that sum determined in accordance with actuarial factors published by the Board;
- (c) the scheme is connected with another occupational pension scheme if the same person is or was an employer in relation to both schemes.