

**EXPLANATORY MEMORANDUM TO
THE PENSION PROTECTION FUND (PROVISION OF INFORMATION)
REGULATIONS 2005**

2005 No.674

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.
2. **Description**
 - 2.1 The Board of the Pension Protection Fund (“the Board”) is established by section 107 of the Pensions Act 2004 (c.35) (“the Act”).
 - 2.2 This instrument provides for certain information to be provided to and by the Board to facilitate the exercise of its functions with regard to occupational pension schemes.
 - 2.3 This instrument places obligations on the Board and on other persons, such as the trustees or managers of pension schemes, the members of schemes that have been transferred into the Pension Protection Fund (PPF) and the beneficiaries of such members, to provide specified information at certain times and in certain circumstances.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 None.
4. **Legislative Background**
 - 4.1 The Act received Royal Assent on 18th November 2004. Section 107 establishes the Board as an executive non departmental body, at arm’s length from Government, which, subject to specified conditions, will pay compensation to members of eligible occupational pension schemes where the employer is insolvent and the pension scheme is underfunded.
 - 4.2 Chapter 5 of Part 2 of the Act provides the Board with powers to gather and disclose information to enable it to discharge its functions with regard to eligible occupational pension schemes. Section 190 provides that the Secretary of State may make regulations concerning the provision of information to the Board, or to a person whom the Board has authorised to gather information on its behalf. Section 203 (1) provides that the Secretary of State may make regulations concerning the provision of information to members of eligible schemes or others by the Board or by the trustees or managers of eligible schemes.

4.3 These regulations are required from 6th April 2005 to ensure they will apply in relation to any scheme which may enter an assessment period after this date.

4.4 This is the first use of these regulation making powers under the Act.

5. **Extent**

5.1 This instrument applies to Great Britain.

6. **European Convention on Human Rights**

6.1 Not applicable.

7. **Policy Background**

7.1 In order to discharge its functions with regard to eligible occupational schemes, the Board has been provided with a range of powers to gather information from scheme trustees or managers, members of eligible schemes or other persons appearing to the Board to hold information that is relevant to the Board's functions. The Board is also able to use and disclose any of the information it holds in the exercise of its functions, subject to appropriate restrictions on the disclosure of information about the business or private affairs of any person which is to be regarded as restricted.

7.2 This instrument provides for certain categories of information that must be disclosed to or by the Board. For example it provides that when a scheme enters a PPF assessment period, during which time the Board assess the funding level of a scheme to determine whether the scheme's liabilities should be transferred into the PPF, the trustees or managers of that scheme must inform the Board of certain facts such as the details of any of the scheme's members who are in receipt of an ill health pension.

7.3 Where a scheme has been transferred into the PPF this instrument provides that the Board must be informed of any significant change in a member's circumstances, such as their death, and that the Board must inform members of any change in its circumstances, such as contact details or the identity of its agents, and other details regarding their entitlement to compensation. It is necessary for the Board and scheme members to be obliged to disclose such information to ensure that the Board can fulfil its function of paying compensation to the members and, in some cases, the dependents of eligible occupational pension schemes in a timely and accurate manner.

7.4 There has not been any consultation with regard to these Regulations. As these Regulations are made within six months of 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.

8. **Impact**

8.1 These regulations do not impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is negligible.

9. **Contact**

9.1 Cathy Twamley at the Department for Work and Pensions tel: 020 7962 8675 or email: cathy.twamley@dwp.gsi.gov.uk can answer any queries regarding this instrument.