
STATUTORY INSTRUMENTS

2005 No. 705

The Occupational Pension Schemes (Modification of Pension Protection Provisions) Regulations 2005

Valuations of assets and liabilities for determining if the Board must assume responsibility for schemes

2.—(1) Section 143 of the Pensions Act 2004 (Board's obligation to obtain valuation of assets and protected liabilities) is amended in accordance with paragraphs (2) and (3).

(2) After subsection (5) insert—

“(5A) Subsection (5B) applies if—

- (a) during the pre-approval period any liability to provide pensions or other benefits to or in respect of any member or members under the scheme is discharged by virtue of regulations under section 135(4) or the Board validating any action mentioned in section 135(9), and
- (b) at the relevant time the protected liabilities of the scheme include any cost within section 131(1)(a) relating to compensation in respect of those pensions or other benefits.

(5B) If this subsection applies, for the purposes mentioned in subsection (2)—

- (a) in determining that cost the effect of the discharge on the compensation payable in respect of those pensions or other benefits under paragraph 23A of Schedule 7 must be taken into account,
- (b) in a case where assets of the scheme at the relevant time were transferred from the scheme during the pre-approval period in consideration for the discharge, those assets are not to be regarded as assets of the scheme at the relevant time, and
- (c) in a case where assets that were not assets of the scheme at that time (“later-acquired assets”) were so transferred, the value of the assets of the scheme at that time is to be reduced by the value of the later-acquired assets at the time of the discharge.”.

(3) In subsection (9) after “or (4)” insert “or by virtue of subsection (5B)”.

(4) In section 158 of that Act (duty to assume responsibility for closed schemes) in subsection (6)

(a) for the words from “subsections” to “section 143” substitute “subsections (3), (5), (5A), (5B) and (11)(b) and (c) of section 143”.