

EXPLANATORY MEMORANDUM TO
THE PENSION PROTECTION FUND (PROVISION OF INFORMATION)
(AMENDMENT) REGULATIONS 2006

2006 No. 595

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 a body corporate established by section 107 of the Pensions Act 2004 (c.35) (“the Act”).
 - 2.2 This instrument amends the Pension Protection Fund (Provision of Information) Regulations 2005 (SI 2005/674) (“the principal Regulations”).
 - 2.3 This instrument makes provision for information to be provided by the Board, upon request, to a member who is a party to, or contemplating, civil partnership proceedings. It also makes provision as to the information to be provided by members or beneficiaries to the Board where a member’s civil partnership ends in dissolution.
 - 2.4 This instrument also adds to the information that must be provided by the trustees or managers of a scheme to the Board in respect of each member who is entitled to a reviewable ill health pension if the decision to award that ill health pension was made within the previous three years immediately before the assessment date.
 - 2.5 This instrument revises the provisions for the information the Board must provide in response to an insolvency event or a notice that an employer is unlikely to continue as a going concern.
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 18 November 2004. The Board is an executive non-departmental public body, at arms’ length from the Government.

4.2 Section 190 of the Act provides for the Secretary of State to make regulations about the provision of information to the Board without being specifically requested to do so. Section 203(1) provides for the Secretary of State to make regulations about provision of information to members of eligible schemes or others by the Board or by the trustees or managers of eligible schemes. The principal Regulations came into force on 6 April 2005.

5. Extent

5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 This instrument is needed so that Pension Protection fund (“PPF”) legislation is consistent with recent changes to civil partnerships legislation.

7.2 The Board may carry out reviews of ill health pension awards, under section 140 of the Act. This instrument adds to the information required to carry out reviews of ill health pension awards.

7.3 This instrument is also needed to clarify the circumstances under which the Board needs to provide a validation notice, and its details, if it receives an application or notice of scheme insolvency, or that a scheme is unlikely to continue as a going concern. The provisions amend the time within which such a notice should be given to permit the Board to request further information it needs.

7.4 This instrument was consulted on for a period of 8 weeks by inclusion in a consultation document that sought the views of, for example, employers, pension scheme administrators, trustees and managers, lawyers, pension scheme members and their representatives. A list of consultees is at Annex A. The only responses received from the Board were on:

7.4.1 Regulation 4(3): setting out how the PPF envisage the provisions being used, and suggesting possible further information to be included; and

7.4.2 A request that trustees be required to provide information to members during the assessment period in respect of their compensation entitlements.

7.5 A single amendment was made in respect of draft regulation 4(3) to omit a potential new requirement on trustees or managers to provide medical records of members. No amendments were made in respect of the request to extend the information provided from trustees or managers, because of the need for further consultation. It was agreed with the Board that this could form part of a future set of Regulations.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has only negligible impact on business, charities or voluntary bodies

8.2 The cost impact of these Regulations on the public sector is nil.

9. Contact

Jacob Soper at the Department for Work and Pensions Tel: 0207 962 8645 or e-mail: jacob.soper@dwp.gsi.gov.uk can answer any queries regarding the instrument.

Annex A to Explanatory Memorandum: List of Consultees

Association of British Insurers
Association of Consulting Actuaries
Association of Pension Lawyers
Association of Pensioner Trustees
Auditing Practices Board
Better Regulation Executive
British Chamber of Commerce
Confederation of British Industry
Consumers Association
Council on Tribunals
Engineering Employers Federation
Federation of Small Businesses
Financial Services Authority
HM Treasury (MOCOP)
HM Revenue and Customs
Industry Wide Pension Schemes Group
Institute of Chartered Accountants in England and Wales
Institute of Chartered Accountants in Scotland
Institute of Directors
Investment Managers' Association
NAPF
National Consumers Council
Office of Fair Trading
Pensions Ombudsman
Pension Protection Fund Ombudsman
Policy and Legal Division DHSS Northern Ireland
Small Business Service
The Association of Corporate Trustees
The Faculty and Institute of Actuaries
The Law Society of England and Wales
The Law Society of Scotland
The Pensions Management Institute
The Pensions Protection Fund
The Pensions Regulator
The Scottish Executive
The Society of Pension Consultants
The Welsh Assembly
TPAS (the Pensions Advisory Service)
Trades Union Congress

