
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational Pension Schemes (Fraud Compensation Payments and Miscellaneous Amendments) Regulations 2005 (S.I. 2005/2184) (the “principal Regulations”).

Regulation 1 provides for citation, commencement and interpretation.

Regulation 2 amends regulation 1(3) of the Principal Regulations by inserting a definition of “transfer notice” and of “transfer payment”.

Regulation 3 further amends the Principal Regulations by inserting, after regulation 8, a new regulation 8A. Regulation 8A sets out how the Board of the Pension Protection Fund (the “Board”) is to calculate fraud compensation transfer payments (a “transfer payment”).

In essence, a transfer payment is to amount to the difference between the value of an eligible pension scheme’s assets immediately preceding the loss which the transfer payment is designed to compensate, and the value of those assets immediately preceding the issue of the transfer notice (a transfer notice is a notice by which the Board assumes responsibility for an eligible pension scheme under Part 2 of the Pensions Act 2004 (c.35)). The amount of the transfer payment (or if there is more than one, the aggregate) is not to exceed the amount specified in section 187(7) of the Pensions Act 2004.

A full impact assessment has not been published for this instrument as it has only a negligible impact on the private, public and voluntary sectors.