
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Pension Protection Fund (Compensation) Regulations 2005 to provide for revaluation in relation to Pension Protection Fund compensation in respect of periods after 30th March 2011 to be determined in accordance with any rise in the general level of prices in Great Britain.

The general level of prices in Great Britain is to be determined in such manner as the Secretary of State may from time to time decide. The Secretary of State is required to publish any such decision.

Prior to these amendments, revaluation was calculated in accordance with the retail prices index. The retail prices index remains the means by which revaluation in respect of periods falling before 31st March 2011 will be calculated.

An assessment of the impact of the changes made to the pension compensation revaluation rules by this instrument was included as part of the Impact Assessment that accompanied the Pensions Bill, which was laid before Parliament on 12 January 2011. This is available from the Department of Work and Pensions website: <http://www.dwp.gov.uk/docs/pensions-bill-2011-ia-annexc.pdf>.