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STATUTORY INSTRUMENTS

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**2018 No. 988**

**The Pension Protection Fund (Pensionable Service)  
and Occupational Pension Schemes (Investment and  
Disclosure) (Amendment and Modification) Regulations 2018**

**Amendments to the Pension Protection Fund (Compensation) Regulations 2005**

- 2.—(1) The Pension Protection Fund (Compensation) Regulations 2005 are amended as follows.
- (2) In regulation 1(2) (interpretation)(1), omit the definition of “pensionable service”.
- (3) After Part 12 (variable-rate schemes)(2) insert—

**“Part 13**

Schemes which provide fixed pensions in respect of transfer payments

**Schemes which provide fixed pensions in respect of transfer payments: modification of  
Schedule 7 to the Act**

30.—(1) Schedule 7 (pension compensation provisions) to the Act has effect with the modifications set out in paragraphs (3) to (5) in relation to a scheme if, immediately before the assessment date, under the admissible rules of the scheme a person is entitled or has rights to a relevant fixed pension.

(2) A pension to which a person is entitled or has rights under a scheme is a “relevant fixed pension” for the purposes of this regulation if—

- (a) that entitlement or those rights (as the case may be) arose by virtue of a transfer payment to the scheme in respect of the person’s rights under another occupational or personal pension scheme;
- (b) the initial annual amount of the pension was specified at the time the transfer payment was received (whether or not that amount was subject to revaluation in respect of the period until the pension was to come into payment); and
- (c) the pension is neither—
- (i) attributable (directly or indirectly) to a pension credit; nor
- (ii) payable as a result of a person’s death.

(3) Where compensation is payable under paragraph 15 (deferred members who have not attained normal pension age at assessment date) of Schedule 7 to the Act in respect of a relevant fixed pension—

- (a) paragraph 15 has effect in its application to that pension as if—

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(1) There are amendments to regulation 1(2) but none are relevant.

(2) Part 12 was inserted by [S.I. 2018/95](#).

- (i) in sub-paragraph (5), for “when the pensionable service relating to the pension ended”, there were substituted, “immediately after the relevant transfer payment was received”; and
  - (ii) after sub-paragraph (5) there were inserted—
    - “(5A) In sub-paragraph (5), “relevant transfer payment” means the transfer payment by virtue of which the deferred member’s rights to the pension were conferred under the scheme.”; and
  - (b) except in a case to which regulation 15A(4) (modification of Schedule 7 for schemes with no revaluation)(3) applies, paragraph 16 has effect in its application to that pension as if—
    - (i) in sub-paragraph (2)(a) for “deferred member’s pensionable service in respect of the pension ended” there were substituted “relevant transfer payment was received”; and
    - (ii) after sub-paragraph (2) there were inserted—
      - “(2A) In sub-paragraph (2)(a), “relevant transfer payment” means the transfer payment by virtue of which the deferred member’s rights to the pension were conferred under the scheme.”.
  - (4) Sub-paragraph (14) of paragraph 26A (meaning of the compensation cap) of Schedule 7 to the Act(4) does not apply in so far as it relates to the meaning of “pensionable service”.
  - (5) Except for the purposes of sub-paragraphs (1) and (2) of paragraph 26 (compensation cap) of Schedule 7 to the Act(5), paragraph 36 (accrual rate, pensionable service and pensionable earnings) has effect as if—
    - (a) in sub-paragraph (4), for “sub-paragraph (5)”, there were substituted, “sub-paragraphs (5) and (6)”;
    - (b) after sub-paragraph (5) there were inserted—
      - “(6) For the purposes of this Schedule, where a person is entitled or has rights under a scheme to a pension and—
        - (a) that entitlement or those rights (as the case may be) arose by virtue of a transfer payment to the scheme in respect of the person’s rights under another occupational or personal pension scheme;
        - (b) the initial annual amount of the pension was specified at the time the transfer payment was received (whether or not that amount was subject to revaluation in respect of the period until the pension was to come into payment); and
        - (c) the pension is neither—
          - (i) attributable (directly or indirectly) to a pension credit; nor
          - (ii) payable as a result of a person’s death,
- the person is to be treated as having pensionable service within sub-paragraph (4) (b) to which that pension is attributable.”.

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(3) Regulation 15A was inserted by [S.I. 2009/451](#).

(4) Paragraph 26A(14) of Schedule 7 to the 2004 Act was inserted by paragraphs 1 and 3 of Schedule 20 to the 2014 Act.

(5) Paragraph 26(1) and (2) of Schedule 7 to the 2004 Act was amended by section 51(1) to (5) of the 2014 Act.