SCHEDULES

SCHEDULE 20

PENSION PROTECTION FUND: INCREASED COMPENSATION CAP FOR LONG SERVICE

PART 4

SCHEMES UNDERGOING ASSESSMENT OR WINDING UP ON THE COMMENCEMENT DATE

Schemes undergoing assessment on the commencement date

14 (1) This paragraph applies in relation to an eligible scheme that is undergoing assessment on the commencement date.

Continue to use the old cap as the basis of assessment

(2) For the purposes of the following, ignore any effect that this Schedule has on the compensation which would be payable if the Board assumed responsibility for the scheme in accordance with Chapter 3 of Part 2 of the Pensions Act 2004—

(a) any provision in which the definition of "protected liabilities" in section 131 of that Act applies, and

(b) any provision in which the definition of "protected benefits quotation" in section 151(8) of that Act applies.

Going forwards, pay pensions on the basis of the new cap

(3) For the purposes of section 138(2) of the Pensions Act 2004 take into account any effect that this Schedule has on the compensation which would be payable if the Board assumed responsibility for the scheme in accordance with Chapter 3 of Part 2 of that Act on the assessment date.

Schemes that begin winding up before the commencement date

15 (1) This paragraph applies in relation to an eligible scheme that is being wound up if the winding up began (or is treated as having begun) before the commencement date.

Use the old cap when working out the preferential liabilities (generally)

(2) For the purposes of sections 73 and 73A of the Pensions Act 1995, ignore any effect that this Schedule has on the compensation which would be payable if the Board assumed responsibility for the scheme in accordance with Chapter 3 of Part 2 of the Pensions Act 2004.

Going forwards, pay pensions on the basis of the new cap during assessment

(3) If for any period the scheme is being wound up and is also undergoing assessment ("the overlap period"), sub-paragraph (4) applies.

(4) For the purposes of section 73A of the Pensions Act 1995 as it applies in relation to the overlap period, take into account any effect that this Schedule has on the compensation which would be payable if the Board assumed responsibility for the scheme in accordance with Chapter 3 of Part 2 of the Pensions Act 2004.

Meaning of "undergoing assessment"

16 For the purposes of this Part of this Schedule an eligible scheme is "undergoing assessment" if an assessment period has begun in relation to the scheme but has not yet ended.

Meaning of "eligible scheme"

17 Section 126(4) of the Pensions Act 2004 (list of provisions in relation to which regulations may provide that a scheme remains an "eligible scheme") is to be treated as including a reference to this Part of this Schedule.