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STATUTORY RULES OF NORTHERN IRELAND

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**2005 No. 149**

**The Pension Protection Fund (Compensation)  
Regulations (Northern Ireland) 2005**

**PART 10**

**CASH BALANCE SCHEMES**

**Cash balance schemes: modification of paragraphs 5, 15 and 19 of Schedule 6**

**23.**—(1) This regulation applies to a cash balance scheme, that is to say an occupational pension scheme the rules of which entitle a member of the scheme, upon attaining normal pension age, to a guaranteed sum which the trustees or managers of the scheme use to purchase for the member either a pension within the scheme or an annuity.

(2) In their application to a pension attributable to a cash balance scheme, the provisions of Schedule 6 shall have effect with the following modifications –

(a) paragraph 5 shall have effect as if –

(i) after sub-paragraph (4), there were inserted –

“(4A) In any case where the Board is satisfied that it is not possible to determine on the basis referred to in sub-paragraph (4) what would have been the annual rate of the pension, the “protected pension rate” shall mean what the Board may, having regard to the admissible rules, determine would have been the annual rate of pension, if the postponement of the pension had ceased immediately before the assessment date.”; and

(ii) in sub-paragraph (5), after “(4)” there were inserted “or (4A)”;

(b) paragraph 15 shall have effect as if, after sub-paragraph (5), there were inserted –

“(5A) In any case where the Board is satisfied that it is not possible to determine on the basis referred to in sub-paragraph (5) what would have been the initial annual rate of the pension, the “accrued amount” shall mean an amount equal to such initial annual rate as the Board may, having regard to the admissible rules, determine the deferred member would have been entitled to had he attained the normal pension age when the pensionable service relating to the pension ended.”; and

(c) paragraph 19 shall have effect as if, after sub-paragraph (5), there were added –

“(5A) In any case where the Board is satisfied that it is not possible to determine on the basis referred to in sub-paragraph (5) what would have been the amount of the scheme lump sum, the “accrued amount” shall mean an amount equal to such scheme lump sum amount as the Board may, having regard to the admissible rules, determine the deferred member would have been entitled to had normal pension age been the actual age attained by the deferred member when the pensionable service relating to the lump sum ended.”.