
STATUTORY RULES OF NORTHERN IRELAND

2005 No. 91

**The Pension Protection Fund (Multi-employer Schemes)
(Modification) Regulations (Northern Ireland) 2005**

PART III

**SEGREGATED SCHEMES: MULTI-EMPLOYER SECTIONS
WITHOUT REQUIREMENT FOR PARTIAL WIND UP
ON WITHDRAWAL OF PARTICIPATING EMPLOYER**

Application and effect

14.—(1) This paragraph applies to a multi-employer section of a segregated scheme the rules of which do not provide for the partial winding up of the section when an employer in relation to the section ceases to participate in the scheme in circumstances where –

- (a) an insolvency event occurs in relation to more than one of the employers in relation to the section at a time when those employers are the only employers in relation to that section; or
- (b) the trustees or managers of the scheme become aware that more than one of the employers in relation to the section are unlikely to continue as a going concern and meet the requirements prescribed under paragraph (1)(b) of Article 113 (applications and notifications for the purposes of Article 112) at a time when those employers are the only employers in relation to that section.

(2) This paragraph applies to a multi-employer section of a segregated scheme the rules of which do not provide for the partial winding up of the section where an employer in relation to the section ceases to participate in the scheme in circumstances where –

- (a) an insolvency event occurs in relation to one or more of the employers in relation to the section of the scheme at a time when an insolvency event has occurred in relation to all other employers in relation to that section and, where applicable, an insolvency practitioner is still required by law to be appointed to act in relation to each of those employers; or
- (b) the trustees or managers of the scheme become aware that one or more of the employers in relation to the section are unlikely to continue as a going concern and meet the requirements prescribed under paragraph (1)(b) of Article 113 (applications and notifications for the purposes of Article 112) at a time when an insolvency event has occurred in relation to all other employers in relation to that section and, where applicable, an insolvency practitioner is still required by law to be appointed to act in relation to each of those employers.

(3) Except as otherwise provided in this Part, in the case of a multi-employer section of a segregated scheme to which this regulation applies –

- (a) Part III of the Order, except Chapter 4, shall be read as if it contained the modifications provided for by this Part; and
- (b) references in Part III of the Order, except in Chapter 4, to –

- (i) “scheme rules” shall be read as if they were references to “scheme rules relating to the section”;
 - (ii) “the scheme” shall be read as if they were references to “the section”;
 - (iii) “the employer” shall be read as if they were references to “an employer in relation to the section”, and
 - (iv) “trustees or managers of the scheme” shall, in relation to a multi-employer section of a segregated scheme, be read as if they were references to “trustees or managers with ultimate responsibility for the administration of the section”.
- (4) Paragraph (3) shall not have effect in relation to Article 157 (initial levy).

Notification of insolvency events, confirmation of scheme status etc.

15.—(1) Article 104 (duty to notify insolvency events in respect of employers) shall be modified so that it shall be read as if, in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies –

- (a) for paragraph (1) there were substituted the following paragraph –

“(1) This Article applies where, in the case of a section of a multi-employer scheme which is divided into two or more sections (“a segregated scheme”) with at least two employers in relation to that section of the scheme (“a multi-employer section”), an insolvency event occurs in relation to any employer in relation to that section.”; and

- (b) after paragraph (2) there were inserted the following paragraph –

“(2A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice from an insolvency practitioner under paragraph (2), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

(2) Article 106 (insolvency practitioner’s duty to issue notices confirming status of scheme) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) for paragraph (1) there were substituted the following paragraph –

“(1) This Article applies where an insolvency event has occurred in relation to any employer in relation to a multi-employer section of a segregated scheme.”;

- (b) in paragraph (2) –

(i) for “the employer” there were substituted “each employer”;

(ii) in sub-paragraph (a) after “a scheme rescue is not possible” there were inserted “in relation to the relevant section of the scheme”, and

(iii) in sub-paragraph (b) after “a scheme rescue has occurred” there were inserted “in relation to the relevant section of the scheme”;

- (c) in paragraph (3)(a) for “the employer” there were substituted “an employer”;

- (d) in paragraph (4) –

(i) for “the employer” there were substituted “an employer”, and

(ii) for “in relation to the scheme” there were substituted “in relation to the section”;

- (e) in paragraph (5) –

(i) in sub-paragraph (a) for “in relation to an occupational pension scheme” there were substituted “in relation to a multi-employer section of a segregated scheme”, and

- (ii) in sub-paragraph (b) for “in relation to such a scheme” there were substituted “in relation to such a section”;
 - (f) in paragraph (6) for “the employer” there were substituted “an employer”; and
 - (g) after paragraph (6) there were inserted the following paragraph –
 - “(6A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice issued by an insolvency practitioner or former insolvency practitioner under paragraph (6), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.
- (3) Article 107 (approval of notices issued under Article 106) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –
- (a) for paragraph (1) there were substituted the following paragraph –
 - “(1) This Article applies where the Board receives a notice under Article 106(6) (“the Article 106 notice”) in relation to an employer in relation to a multi-employer section of a segregated scheme at a time when the Board has previously received such a notice in relation to all the other employers in relation to that section of the scheme.”;
 - (b) for paragraph (2) there were substituted the following paragraph –
 - “(2) The Board must determine whether to approve the Article 106 notice received in relation to that employer.”; and
 - (c) after paragraph (4) there were inserted the following paragraph –
 - “(4A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a determination notice issued by the Board under paragraph (4), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.
- (4) Article 108 (Board’s duty where there is a failure to comply with Article 106) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –
- (a) in paragraph (1) for “This Article applies where in relation to an occupational pension scheme” there were substituted “This Article applies where in relation to a section of a segregated scheme with at least two employers in relation to that section”;
 - (b) in paragraph (1)(a) and (b) for “the employer” there were substituted “an employer”;
 - (c) in paragraph (4) –
 - (i) in sub-paragraph (d) for “the employer” there were substituted “an employer”, and
 - (ii) in sub-paragraph (e) for “in relation to the employer, the employer” there were substituted “in relation to an employer, that employer”; and
 - (d) after paragraph (4) there were inserted the following paragraph –
 - “(4A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a notice issued by the Board under Article 106 by virtue of this Article, they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.
- (5) Article 109 (binding notices confirming status of scheme) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if after paragraph (3) there were inserted the following paragraph –

“(3A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice from the Board under paragraph (3) together with a copy of the binding notice, they must send a copy of the notice and the binding notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

Eligible schemes

16.—(1) Except as otherwise provided in this Part, for the purposes of Part III of the Order, except Chapter 4, as it applies in the case of a section of a multi-employer scheme to which paragraph (1) or (2) of regulation 14 applies, references to an “eligible scheme” shall be read as if they were references to a multi-employer section of a segregated scheme in circumstances where that section, if it were a scheme, would not be –

- (a) a money purchase scheme; or
 - (b) a scheme which is a prescribed scheme or a scheme of a prescribed description under Article 110(1)(b).
- (2) Paragraph (1) shall not apply for the purposes of Articles 157 to 164 (the levies).

Duty to assume responsibility for schemes

17.—(1) Article 111 (duty to assume responsibility for schemes following insolvency event) shall only have effect in relation to a multi-employer section of a segregated scheme in the circumstances described in regulation 14(1) and (2) and, for those purposes, shall be modified so that it shall be read as if –

- (a) in its application to a multi-employer section of a segregated scheme to which paragraph (1) of regulation 14 applies –
 - (i) for paragraph (1) there were substituted the following paragraph –

“(1) This Article applies where a qualifying insolvency event has occurred in relation to more than one of the employers in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme at a time when those employers are the only employers in relation to that section of the scheme.”; and
 - (ii) for paragraph (3) there were substituted the following paragraph –

“(3) For the purposes of this Article, an insolvency event (“the current event”) in relation to an employer in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme is a qualifying insolvency event if –

 - (a) it occurs simultaneously in relation to more than one employer at a time when those employers are the only employers in relation to the scheme,
 - (b) it occurs on or after the day appointed under Article 110(2), and
 - (c) it –
 - (i) is the first insolvency event to occur in relation to that employer on or after that day, or
 - (ii) does not occur within an assessment period (see Article 116) in relation to that section of the scheme which began before the occurrence of the current event.”; and
- (b) in its application to a multi-employer section of a segregated scheme to which paragraph (2) of regulation 14 applies –

(i) for paragraph (1) there were substituted the following paragraph –

“(1) This Article applies where a qualifying insolvency event has occurred in relation to one or more of the employers in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme at a time when an insolvency event has occurred in relation to all other employers in relation to that section of the scheme and, where applicable, an insolvency practitioner is still required by law to be appointed to act in relation to each of those employers.”; and

(ii) for paragraph (3) there were substituted the following paragraph –

“(3) For the purposes of this Article, an insolvency event (“the current event”) in relation to an employer in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme is a qualifying insolvency event if –

(a) it occurs –

(i) simultaneously in relation to one or more of the employers at a time when that or those employers are the only employers in relation to the scheme, or

(ii) in relation to an employer at a time when an insolvency event has also occurred in relation to all other employers in relation to that section of the scheme and, where applicable, an insolvency practitioner is still required by law to be appointed to act in relation to each of those employers,

(b) it occurs on or after the day appointed under Article 110(2), and

(c) it –

(i) is the first insolvency event to occur in relation to that employer on or after that day, or

(ii) does not occur within an assessment period (see Article 116) in relation to that section of the scheme which began before the occurrence of the current event.”.

(2) Article 112 (duty to assume responsibility for schemes following application or notification) shall be modified so that it shall be read as if, in its application to a multi-employer section of a segregated scheme to which –

(a) paragraph (1) of regulation 14 applies, for paragraph (1) there were substituted the following paragraph –

“(1) This Article applies where, in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme, the trustees or managers of the scheme –

(a) make an application under paragraph (1) of Article 113 (“an Article 113 application”) in relation to more than one employer in relation to that section of the scheme at a time when those employers are the only employers in relation to that section of the scheme, or

(b) receive a notification from the Board under paragraph (5)(a) of that Article (“an Article 113 notification”) in relation to more than one employer in relation to that section of the scheme at a time when those employers are the only employers in relation to that section of the scheme.”;

(b) paragraph (2) of regulation 14 applies, for paragraph (1) there were substituted the following paragraph –

“(1) This Article applies where, in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme, the trustees or managers of the scheme –

- (a) make an application under paragraph (1) of Article 113 (“an Article 113 application”) in relation to one or more of the employers in relation to that section of the scheme at a time when an insolvency event has occurred in relation to all other employers in relation to that section of the scheme and, where applicable, an insolvency practitioner is still required by law to be appointed to act in relation to each of those employers, or
- (b) receive a notification from the Board under paragraph (5)(a) of that Article (“an Article 113 notification”) in relation to one or more of the employers in relation to that section of the scheme at a time when an insolvency event has occurred in relation to all other employers in relation to that section of the scheme and, where applicable, an insolvency practitioner is still required by law to be appointed to act in relation to each of those employers.”.

(3) Article 113 (applications and notifications for the purposes of Article 112) shall be modified so that it shall be read as if, in its application to a multi-employer section of a segregated scheme to which –

(a) paragraph (1) of regulation 14 applies –

(i) for paragraph (1) there were substituted the following paragraph –

“(1) Where the trustees or managers of a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme become aware that –

- (a) more than one employer in relation to that section of the scheme is unlikely to continue as a going concern at a time when those employers are the only employers in relation to that section of the scheme, and
- (b) the prescribed requirements are met in relation to those employers,

they must make an application to the Board for it to assume responsibility for the section under Article 112.”;

(ii) after paragraph (1) there were inserted the following paragraph –

“(1A) Where the trustees or managers of a multi-employer section of a segregated scheme make an application to the Board under paragraph (1), they must issue a notice to that effect as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”, and

(iii) after paragraph (5) there were inserted the following paragraph –

“(5A) Where the trustees or managers of a section of a segregated scheme receive a notice from the Board under paragraph (5), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”;

(b) paragraph (2) of regulation 14 applies –

(i) for paragraph (1) there were substituted the following paragraph –

“(1) Where the trustees or managers of a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme become aware that –

- (a) one or more employers in relation to that section of the scheme is unlikely to continue as a going concern at a time when an insolvency event has occurred in relation to all other employers in relation to that section of the

- scheme and, where applicable, an insolvency practitioner is still required by law to be appointed to act in relation to each of those employers, and
- (b) the prescribed requirements are met in relation to those employers, they must make an application to the Board for it to assume responsibility for the section under Article 112.”;
- (ii) after paragraph (1) there were inserted the following paragraph –
- “(1A) Where the trustees or managers of a multi-employer section of a segregated scheme make an application to the Board under paragraph (1), they must issue a notice to that effect as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”; and
- (iii) after paragraph (5) there were inserted the following paragraph –
- “(5A) Where the trustees or managers of a section of a segregated scheme receive a notice from the Board under paragraph (5), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

Board’s duty where application or notification received under Article 113

18. Article 114 (Board’s duty where application or notification received under Article 113) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) in paragraph (2) after “a scheme rescue is not possible” there were inserted “in relation to a multi-employer section of a segregated scheme”;
- (b) in paragraph (3) after “a scheme rescue has occurred” there were inserted “in relation to that section”;
- (c) in paragraph (5) –
- (i) in sub-paragraph (a) for “in relation to an occupational pension scheme” there were substituted “in relation to a multi-employer section of a segregated scheme”, and
- (ii) in sub-paragraph (b) for “in relation to such a scheme” there were substituted “in relation to such a section”;
- (d) after paragraph (4) there were inserted the following paragraph –
- “(4A) Where the trustees or managers of a section of a segregated scheme receive a copy of a notice from the Board under paragraph (4), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”; and
- (e) after paragraph (7) there were inserted the following paragraph –
- “(7A) Where the trustees or managers of a section of a segregated scheme receive a notice from the Board under paragraph (7) together with a copy of the binding notice, they must send a copy of the notice and the binding notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

Protected liabilities

19. Article 115 (protected liabilities) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if for paragraph (1) there were substituted the following paragraph –

“(1) For the purposes of this Chapter the protected liabilities, in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme, at a particular time (“the relevant time”) are –

- (a) the cost of securing benefits for and in respect of members of the section which correspond to the compensation which would be payable, in relation to the section, in accordance with the pension compensation provisions (see Article 146) if the Board assumed responsibility for the section in accordance with this Chapter,
- (b) a portion of the liabilities of the scheme as a whole as calculated in the Board’s valuation of the relevant section of the scheme under Article 127, which are not liabilities to, or in respect of, members,
- (c) the estimated cost of winding up the section.”.

Assessment periods

20. Article 116 (assessment periods) shall be modified so that it shall be read as if, in its application to a multi-employer section of a segregated scheme to which –

- (a) paragraph (1) of regulation 14 applies –
 - (i) in paragraph (2) –
 - (aa) for “in relation to an eligible scheme” there were substituted “in relation to a multi-employer section of an eligible scheme which is, for the purposes of this Part, an eligible scheme”;
 - (bb) for “the employer” there were substituted “an employer”;
 - (cc) after “an assessment period” there were inserted “in relation to the section”;
 - and
 - (ii) in paragraph (4) for “in relation to an eligible scheme, an application is made under Article 113(1) or a notification is received under Article 113(5)(a)” there were substituted “in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme, an application is made under Article 113(1) or a notification is received under Article 113(5)(a) in respect of more than one employer at a time when those employers are the only employers in relation to that section of the scheme”; and
- (b) paragraph (2) of regulation 14 applies –
 - (i) in paragraph (2) –
 - (aa) for “in relation to an eligible scheme” there were substituted “in relation to a multi-employer section of an eligible scheme which is, for the purposes of this Part, an eligible scheme”;
 - (bb) for “the employer” there were substituted “an employer”;
 - (cc) after “an assessment period” there were inserted “in relation to a multi-employer section of an eligible scheme”, and
 - (ii) in paragraph (4) for “in relation to an eligible scheme, an application is made under Article 113(1) or a notification is received under Article 113(5)(a)” there were substituted “in relation to a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme, an application is made under Article 113(1) or a notification is received under Article 113(5)(a) in respect of one or more of the employers at a time when an insolvency event has occurred in relation to all other employers in relation to that section of the scheme and, where applicable, an

insolvency practitioner is still required by law to be appointed to act in relation to each of those employers.”.

Directions

21. Article 118 (directions) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) in paragraph (2) –
 - (i) for “the scheme’s protected liabilities do not exceed its assets” there were substituted “the protected liabilities of the section do not exceed its assets”, and
 - (ii) for “in relation to the scheme” there were substituted “in relation to the segregated scheme in question”; and
- (b) in paragraph (3)(a)(i) for “the trustees or managers” there were substituted “any trustees or managers”.

Restrictions on winding up, discharge of liabilities etc. and power to validate contraventions of Article 119

22.—(1) Article 119 (restrictions on winding up, discharge of liabilities etc.) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if after paragraph (2) there were inserted the following paragraph –

“(2A) An employer in relation to a multi-employer section of a segregated scheme must not cease to participate in the scheme during an assessment period.”.

(2) Article 120 (power to validate contraventions of Article 119) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) in paragraph (2)(c) for “in relation to the employer, or if there is no such insolvency practitioner, the employer” there were substituted “in relation to an employer, or if there is no such insolvency practitioner, that employer”; and
- (b) after paragraph (2) there were inserted the following paragraph –

“(2A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a notice from the Board under paragraph (2), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all employers in relation to the scheme.”.

Valuation of assets

23.—(1) Article 127 (Board’s obligation to obtain valuation of assets and protected liabilities) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if in paragraph (2) for “the scheme” there were substituted “the relevant section of the scheme”.

(2) Article 128 (approval of valuation) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) in paragraph (1) for “obtains a valuation in respect of a scheme” there were substituted “obtains a valuation in respect of the relevant section of the scheme”;

- (b) in paragraph (2)(b)(iii) for “in relation to the employer or, if there is no such insolvency practitioner, the employer” there were substituted “in relation to an employer or, if there is no such insolvency practitioner, that employer”; and
 - (c) after paragraph (2) there were inserted the following paragraph –
 - “(2A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a valuation from the Board under paragraph (2), they must send a copy of that valuation as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.
- (3) Article 129 (binding valuations) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –
- (a) in paragraph (2) for “in relation to a scheme” there were substituted “in relation to the relevant section of the scheme”;
 - (b) in paragraph (3)(c) for “in relation to the employer or, if there is no such insolvency practitioner, the employer” there were substituted “in relation to an employer or, if there is no such insolvency practitioner, that employer”; and
 - (c) after paragraph (3) there were inserted the following paragraph –
 - “(3A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice from the Board under paragraph (3) together with a copy of a binding valuation, they must send a copy of the notice and the binding valuation as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

Refusal to assume responsibility for a scheme

24.—(1) Article 130 (schemes which become eligible schemes) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) for paragraph (1) there were substituted the following paragraph –
 - “(1) Regulations may provide that where the Board is satisfied that any multi-employer section of a segregated scheme is not, for the purposes of this Part, an eligible scheme throughout such period as may be prescribed, the Board must refuse to assume responsibility for that section under this Chapter.”;
- (b) in paragraph (2) –
 - (i) for “a scheme” there were substituted “a section of the scheme”, and
 - (ii) in sub-paragraph (b)(iii) for “in relation to the employer or, if there is no such insolvency practitioner, the employer” there were substituted “in relation to an employer or, if there is no such insolvency practitioner, that employer”;
- (c) after paragraph (2) there were inserted the following paragraph –
 - “(2A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a withdrawal notice from the Board under paragraph (2), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”;
- (d) in paragraph (4)(c) for “in relation to the employer or, if there is no such insolvency practitioner, the employer” there were substituted “in relation to an employer or, if there is no such insolvency practitioner, that employer”; and
- (e) after paragraph (4) there were inserted the following paragraph –

“(4A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice from the Board under paragraph (4) together with a copy of the binding notice, they must send a copy of the notice and the binding notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

(2) Article 131 (new schemes created to replace existing schemes) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

(a) for paragraph (1) there were substituted the following paragraph –

“(1) The Board must refuse to assume responsibility for a new multi-employer section of a segregated scheme (“the new section”) under this Chapter where it is satisfied that –

- (a) the new section was established during such period as may be prescribed,
- (b) an employer in relation to the new section was, at the date of establishment of that section, also the employer in relation to another scheme (“the old scheme”) or another section of the scheme (“the old section”) established before the new section,
- (c) a transfer or transfers of, or a transfer payment or transfer payments in respect of, any rights of members under the old scheme or the old section has or have been made to the new section, and
- (d) the main purpose or one of the main purposes of establishing the new section and making the transfer or transfers, or transfer payment or transfer payments, was to enable those members to receive compensation under the pension compensation provisions in respect of their rights under the new section in circumstances where, in the absence of the transfer or transfers, regulations under Article 130 would have operated to prevent such payments in respect of their rights under the old scheme or the old section.”;

(b) in paragraph (2)(b)(iii) for “in relation to the employer or, if there is no such insolvency practitioner, the employer” there were substituted “in relation to an employer or, if there is no such insolvency practitioner, that employer”;

(c) after paragraph (2) there were inserted the following paragraph –

“(2A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a withdrawal notice from the Board under paragraph (2), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”;

(d) in paragraph (4)(c) for “in relation to the employer or, if there is no such insolvency practitioner, the employer” there were substituted “in relation to an employer or, if there is no such insolvency practitioner, that employer”; and

(e) after paragraph (4) there were inserted the following paragraph –

“(4A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice from the Board under paragraph (4) together with a copy of the binding notice, they must send a copy of the notice and the binding notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

(3) Article 132 (withdrawal following issue of Article 106(4) notice) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

(a) in paragraph (5)(c) for “the employer” there were substituted “any employer”;

(b) after paragraph (5) there were inserted the following paragraph –

“(5A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a withdrawal notice issued by the Board under this Article, they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”;

(c) in paragraph (7)(c) for “the employer” there were substituted “any employer”; and

(d) after paragraph (7) there were inserted the following paragraph –

“(7A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice from the Board under paragraph (7) together with a copy of the binding notice, they must send a copy of the notice and the binding notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

Reconsideration, closed schemes and requirement to wind up schemes with sufficient assets to meet protected liabilities

25.—(1) Article 135 (application for reconsideration) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if in paragraph (8) in the definition of “protected benefits quotation” for the words from ““protected benefits quotation”, in relation to a scheme, means” to “from the reconsideration time” there were substituted –

““protected benefits quotation”, in relation to a section of a segregated scheme, means a quotation for one or more annuities from one or more insurers, being companies willing to accept payment in respect of the members of the section from the trustees or managers of the scheme, which would provide in respect of each member of the section from the reconsideration time”.

(2) Article 136 (duty to assume responsibility following reconsideration) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

(a) for paragraph (2) there were substituted the following paragraph –

“(2) The Board must assume responsibility in accordance with this Chapter for a multi-employer section of a segregated scheme if it is satisfied that the value of the assets of the section at the reconsideration time is less than the aggregate of –

(a) the amount quoted in the protected benefits quotation accompanying the application,

(b) a proportion of the amount of the liabilities of the scheme as a whole at that time, as calculated in the valuation of the relevant section of the scheme referred to in paragraph (2) of Article 135, which are not liabilities to, or in respect of, members of the scheme,

(c) the estimated costs of winding up the section at that time.”;

(b) after paragraph (3) there were inserted the following paragraph –

“(3A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a determination notice from the Board under paragraph (3), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”; and

(c) after paragraph (7) there were inserted the following paragraph –

“(7A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice from the Board under paragraph (7) together with a copy of the

binding notice, they must send a copy of the notice and the binding notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

(3) Article 137 (closed schemes) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) in paragraph (2) for “a closed scheme” there were substituted “a closed section of the scheme”;
- (b) in paragraph (5) for “a closed scheme” there were substituted “a closed section of the scheme”; and
- (c) after paragraph (6) there were inserted the following paragraph –

“(6A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a copy of a determination notice from the Board under paragraph (6), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

(4) Article 138 (requirement to wind up schemes with sufficient assets to meet protected liabilities) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) in paragraph (2)(a) for “(scheme rescue not possible but scheme has sufficient assets to meet the protected liabilities)” there were substituted “(scheme rescue not possible in relation to a multi-employer section of a segregated scheme but section has sufficient assets to meet the protected liabilities)”;
- (b) in paragraph (6) for “scheme is wound up” there were substituted “multi-employer section of a segregated scheme is wound up”;
- (c) in paragraph (11) for “winding up of a scheme” there shall be substituted “winding up of a multi-employer section of a segregated scheme”; and
- (d) in paragraph (12) for “in relation to a scheme” there were substituted “in relation to a multi-employer section of a segregated scheme”.

(5) Article 139 (treatment of closed schemes) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if for paragraph (1) there were substituted the following paragraph –

“(1) In this Article “closed scheme” means a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme which is authorised under Article 137 to continue as a closed section of the scheme.”.

(6) Article 141 (applications and notifications where closed schemes have insufficient assets) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if after paragraph (4) there were inserted the following paragraph –

“(4A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a notice from the Board under paragraph (4), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.

Transfer notices and assumption of responsibility for a scheme

26.—(1) Article 144 (transfer notice) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –

- (a) in paragraph (1) for “required to assume responsibility for a scheme” there were substituted “required to assume responsibility for a multi-employer section of a segregated scheme”;
 - (b) after paragraph (2) there were inserted the following paragraph –
 - “(2A) Where the trustees or managers of a multi-employer section of a segregated scheme receive a transfer notice from the Board under paragraph (2), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”;
 - (c) for paragraph (6) there were substituted the following paragraph –
 - “(6) The Board must give a copy of the transfer notice under paragraph (2) to –
 - (a) the Regulator, and
 - (b) an insolvency practitioner acting in relation to every employer in relation to the section of the scheme in respect of which the transfer notice is issued.”.
- (2) Article 145 (effect of Board assuming responsibility for a scheme) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if –
- (a) in paragraph (2)(b) after “obligations” there were inserted “to or in respect of members of that section”; and
 - (b) in paragraph (4)(a) after “to or in respect of persons” there were inserted “who are or were members of that section”.
- (3) In Schedule 5 to the Order (transfer of property, rights and liabilities to the Board) paragraph 1 shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if for “an occupational pension scheme” there were substituted “a multi-employer section of a segregated multi-employer scheme”.

The pension compensation provisions

- 27.**—(1) Article 146 (the pension compensation provisions) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that paragraph (1) shall be read as if –
- (a) for “in relation to a scheme” there were substituted “in relation to a multi-employer section of a segregated scheme”;
 - (b) in sub-paragraphs (a) and (b) after “members” there were inserted “of that section”;
 - (c) in sub-paragraph (c) after “payable” there were inserted “to or in respect of members of that section”; and
 - (d) in sub-paragraph (d) at the end there were added “payable to or in respect of members of that section”.
- (2) Article 147 (adjustments to be made where the Board assumes responsibility for a scheme) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if in paragraph (2)(a) after “to any member” there were inserted “of that section”.
- (3) Article 150 (duty to pay scheme benefits unpaid at assessment date etc.) shall be modified in its application to a multi-employer section of a segregated scheme to which paragraph (1) or (2) of regulation 14 applies so that it shall be read as if in paragraph (1) for “assumes responsibility for a scheme” there were substituted “assumes responsibility for a multi-employer section of a segregated scheme”.