
DRAFT STATUTORY INSTRUMENTS

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The Pensions (Northern Ireland) Order 2005

PART III

THE BOARD OF THE PENSION PROTECTION FUND

CHAPTER 3

PENSION PROTECTION

Circumstances in which Board assumes responsibility for eligible schemes

Duty to assume responsibility for schemes following insolvency event

111.—(1) This Article applies where a qualifying insolvency event has occurred in relation to the employer in relation to an eligible scheme.

(2) The Board must assume responsibility for the scheme in accordance with this Chapter if—

- (a) the value of the assets of the scheme at the relevant time was less than the amount of the protected liabilities at that time (see Articles 115 and 127),
- (b) after the relevant time a scheme failure notice is issued under Article 106(2)(a) in relation to the scheme and that notice becomes binding, and
- (c) a withdrawal event has not occurred in relation to the scheme in respect of a withdrawal notice which has been issued during the period—
 - (i) beginning with the occurrence of the qualifying insolvency event, and
 - (ii) ending immediately before the issuing of the scheme failure notice under Article 106(2)(a),

and the occurrence of such a withdrawal event in respect of a withdrawal notice issued during that period is not a possibility (see Article 133).

(3) For the purposes of this Article, in relation to an eligible scheme an insolvency event (“the current event”) in relation to the employer is a qualifying insolvency event if—

- (a) it occurs on or after the day appointed under Article 110(2), and
- (b) it—
 - (i) is the first insolvency event to occur in relation to the employer on or after that day, or
 - (ii) does not occur within an assessment period (see Article 116) in relation to the scheme which began before the occurrence of the current event.

(4) For the purposes of this Article—

- (a) the reference in paragraph (2)(a) to the assets of the scheme is a reference to those assets excluding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules, and

- (b) “the relevant time” means the time immediately before the qualifying insolvency event occurs.
- (5) This Article is subject to Articles 130 and 131 (cases where Board must refuse to assume responsibility for a scheme).