
DRAFT STATUTORY INSTRUMENTS

2005 No.

The Pensions (Northern Ireland) Order 2005

PART III

THE BOARD OF THE PENSION PROTECTION FUND

CHAPTER 3

PENSION PROTECTION

Closed schemes

Closed schemes

137.—(1) This Article applies where Article 135(2) or (3) (scheme rescue not possible but scheme has sufficient assets to meet the protected liabilities) applies in relation to an eligible scheme.

(2) If the trustees or managers of the scheme are unable to obtain a full buy-out quotation, they must, within the authorised period, apply to the Board for authority to continue as a closed scheme.

(3) For the purposes of determining whether they must make an application under paragraph (2), the trustees or managers of the scheme must take all reasonable steps to obtain a full buy-out quotation in respect of the scheme.

(4) An application under paragraph (2) must—

- (a) be in the prescribed form and contain the prescribed information, and
- (b) be accompanied by evidence in the prescribed form which shows that the trustees or managers of the scheme have complied with the obligation under paragraph (3) but were unable to obtain a full buy-out quotation.

(5) Where the Board receives an application under paragraph (2), if it is satisfied that the trustees or managers have complied with the obligation under paragraph (3) but were unable to obtain a full buy-out quotation, it must authorise the scheme to continue as a closed scheme.

(6) Where the Board determines an application in respect of a scheme under this Article, it must issue a determination notice and give a copy of that notice to—

- (a) the trustees or managers of the scheme, and
- (b) the Regulator.

(7) In this Article—

“authorised period” has the same meaning as in Article 135;

“determination notice” means a notice which is in the prescribed form and contains such information about the determination as may be prescribed;

“full buy-out quotation”, in relation to a 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 from the trustees or managers of the scheme) which would provide in respect of each member of the scheme, from a relevant date, benefits in accordance with the member’s

entitlement or accrued rights, including pension credit rights, under the scheme rules (other than his entitlement or rights in respect of money purchase benefits);

“pension credit rights” has the meaning given by Article 121(1) of the 1995 Order;

“relevant date” means a date within the authorised period.

(8) If the trustees or managers of the scheme fail to comply with paragraph (2) or (3), Article 10 of the 1995 Order (civil penalties) applies to any trustee or manager who has failed to take all reasonable steps to secure compliance.