



# Transport Act 1980

## 1980 CHAPTER 34

### PART II

#### TRANSFER OF UNDERTAKING OF NATIONAL FREIGHT CORPORATION

##### *Funding of certain pension obligations*

#### **49 Funding of relevant pension obligations.**

- (1) If it appears to the Minister, having determined that all or any of the securities of the successor company held by him or by nominees for him should be offered for sale, that on the date on which those securities are to be so offered the relevant pension obligations will not be completely funded, he may, with the consent of the Treasury, undertake to make to the persons administering the relevant pension schemes such payments towards the funding of those obligations as he may specify in the undertaking.
- (2) An undertaking under subsection (1)—
  - (a) shall specify the aggregate amount of the payments which the Minister proposes to make in pursuance of the undertaking; and
  - (b) shall be conditional on the amount received by the Minister in consideration for the disposal of the securities being not less than that amount.
- (3) If the Minister gives an undertaking under subsection (1) but the condition mentioned in subsection (2) is not fulfilled, he may nevertheless, with the consent of the Treasury, make to the persons administering the relevant pension schemes such payments towards the funding of the relevant pension obligations as he thinks fit.
- (4) If no undertaking is given under subsection (1) but it appears to the Minister that, on the date on which all or any of the securities of the successor company held by him or by nominees for him are offered for sale, the relevant pension obligations are not completely funded, he may, with the consent of the Treasury, make to the persons administering the relevant pension schemes such payments towards the funding of those obligations as he thinks fit.

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*Changes to legislation: There are currently no known outstanding effects for the Transport Act 1980, Cross Heading: Funding of certain pension obligations. (See end of Document for details)*

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- (5) The aggregate amount of any payments made under subsection (3) or (4) shall not exceed the amount received in consideration for the disposal of the securities of the successor company; and the sums required for making any such payments or any payments in pursuance of an undertaking under subsection (1) shall be paid out of that amount.
- (6) In this section—
- “the relevant pension obligations” has the meaning given by section 50;
- “the relevant pension schemes” means the National Freight Corporation (Salaried Staff) Pension Fund, the National Freight Corporation (Wages Grades) Pension Fund and the N.F.C. (1978) Pension Fund;
- and for the purposes of this section the N.F.C. (1978) Pension Fund shall be taken to comprise the pension schemes specified or described in the Schedule to the Central Trust deed within the meaning of the <sup>M1</sup>National Freight Corporation (Central Trust) Order 1978.

**Marginal Citations**

**M1** S.I. 1978/1290.

**50 Meaning of “the relevant pension obligations”.**

- (1) In section 49 “the relevant pension obligations” means, subject to subsection (2)—
- (a) any obligations of the successor company or a relevant subsidiary which were owed on 1st April 1975 (“the operative date”) in connection with any of the relevant pension schemes; and
  - (b) where any such obligation is one to pay or secure the payment of pensions, any obligation of the successor company or a relevant subsidiary arising after the operative date to pay or secure the payment of increases of those pensions; and
  - (c) any obligation of the successor company or a relevant subsidiary arising after the operative date to pay or secure the payment of increases payable under any of the relevant pension schemes, being increases of pensions payable under any other pension scheme established before that date (whether one of the relevant pension schemes or not); and
  - (d) any obligation of the successor company or a relevant subsidiary which results from an amendment made to any of the relevant pension schemes by virtue of section 74 of the <sup>M2</sup>Transport Act 1962 after the operative date and before 1st January 1980.
- (2) The definition in subsection (1) does not include—
- (a) any obligation which, in relation to one of the relevant pension schemes, is a relevant pension obligation for the purposes of Part III;
  - (b) any obligation to pay or secure the payment of increases of pensions in excess of increases payable on official pensions under the <sup>M3</sup>Pensions (Increase) Act 1971 and section 59 of the <sup>M4</sup>Social Security Pensions Act 1975;
  - (c) any obligation to pay contributions in respect of current periods of employment of a member of a scheme;
  - (d) any obligation to pay expenses incurred in connection with a scheme which is specifically imposed on the body by which it is owed;

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- (e) any obligation owed by a body in their capacity as the trustees of a scheme or the persons administering a scheme; and
  - (f) any obligation in respect of which the body by which it is owed have a right to indemnified by any other body.
- (3) In this section—
- “pension”, in relation to any of the relevant pension schemes, has the same meaning as in Part III;
  - “the relevant pension schemes” has the same meaning as in section 49;
  - “relevant subsidiary” means any subsidiary of the successor company other than National Carriers Limited and any subsidiary of National Carriers Limited;
  - “subsidiary” has the same meaning as in the <sup>M5</sup>Transport Act 1962.
- (4) For the purposes of this section—
- (a) any increase in an obligation which results from an amendment made to a scheme after the operative date shall be treated as a separate obligation; and
  - (b) where at any time, whether before or after the operative date, any pensions or increases payable under any of the relevant pension schemes are or have been paid by any person, that person shall be treated as being or having been under an obligation at that time to make those payments.

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**Marginal Citations**

- M2** 1962 c. 46.
- M3** 1971 c. 56.
- M4** 1975 c. 60.
- M5** 1962 c. 46.

**Changes to legislation:**

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