



# Pensions Act 2004

## 2004 CHAPTER 35

### PART 2

#### THE BOARD OF THE PENSION PROTECTION FUND

### CHAPTER 4

#### FRAUD COMPENSATION

##### *Entitlement to fraud compensation*

#### **185 Fraud compensation payments**

- (1) Where the Board determines to make one or more fraud compensation payments, it must make the payment or payments to the trustees or managers of the scheme in accordance with this section.
- (2) A fraud compensation payment may be made on such terms (including terms requiring repayment in whole or in part) and on such conditions as the Board considers appropriate.
- (3) The amount of the payment (or, if there is more than one, the aggregate) must not exceed the difference between—
  - (a) the amount of the reduction (or, if more than one, the aggregate amount of the reductions) within section 182(1)(b), and
  - (b) the amount of any recoveries of value obtained before the settlement date (within the meaning of section 184(2)).
- (4) Subject to subsection (3), the Board—
  - (a) must determine the amount of any fraud compensation payment in accordance with regulations made for the purposes of this subsection, and
  - (b) must take account of any interim payment already made under section 186.

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**Changes to legislation:** Pensions Act 2004, Section 185 is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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- (5) The Board must give written notice of its determination under subsection (4) to—
- (a) the Regulator,
  - (b) the trustees or managers of the scheme,
  - (c) if the trustees or managers did not make the application under section 182 (fraud compensation payments), the person who made that application, and
  - (d) any insolvency practitioner in relation to the employer or, if there is no such insolvency practitioner, the employer.

**Modifications etc. (not altering text)**

- C1** Pt. 2 applied in part (with modifications) (20.7.2005 for specified purposes, 1.9.2005 for specified purposes, 5.12.2005 for specified purposes) by [The Financial Assistance Scheme Regulations 2005 \(S.I. 2005/1986\)](#), regs. 1(1), 4, **Sch. 1**
- C2** Ss. 182-187: power to modify conferred (5.9.2018 for specified purposes, 1.10.2018 so far as not already in force) by [Pension Schemes Act 2017 \(c. 17\)](#), **ss. 36(1), 44(2)**; S.I. 2018/965, reg. 2
- C3** S. 185 modified (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **23(1)(2)(a)(v)**

**Commencement Information**

- I1** S. 185 in force at 12.7.2005 for specified purposes by [S.I. 2005/1720](#), **art. 2(3)(a)**
- I2** S. 185 in force at 1.9.2005 in so far as not already in force by [S.I. 2005/1720](#), **art. 2(3)(a)**

**Changes to legislation:**

Pensions Act 2004, Section 185 is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to :**

- s. 182-186 modified by [S.I. 2005/2184 reg. 10](#)
- s. 182-186 modified by [S.I. 2005/2184 reg. 13](#)
- s. 182-186 modified by [S.I. 2005/2184 reg. 14](#)
- s. 182-186 modified by [S.I. 2005/2184 reg. 15](#)
- s. 182-186 modified by [S.I. 2005/2184 reg. 16](#)
- s. 182-186 modified by [S.I. 2005/2184 reg. 17](#)
- s. 182-186 modified by [S.I. 2005/2184 reg. 18](#)
- s. 182-186 modified by [S.I. 2005/2184 reg. 19](#)
- s. 182-186 modified by [S.I. 2005/2184 reg. 20](#)
- s. 184-186 modified by [S.I. 2005/2184 reg. 11](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 18(5A) inserted by [2014 c. 19 s. 52\(2\)](#)
- s. 18(6) words inserted by [2014 c. 19 s. 52\(3\)](#)
- s. 18(8) words inserted by [2014 c. 19 s. 52\(3\)](#)
- s. 23(1A) inserted by [2015 c. 8 Sch. 2 para. 26\(3\)](#)
- s. 23(10A) inserted by [2015 c. 8 Sch. 2 para. 26\(5\)](#)
- s. 38(1)-(1B) substituted for s. 38(1) by [2015 c. 8 Sch. 2 para. 27](#)
- s. 38(7)(da) inserted by [2021 c. 1 s. 104\(2\)](#)
- s. 43(1)-(1B) substituted for s. 43(1) by [2015 c. 8 Sch. 2 para. 28\(2\)](#)
- s. 52(1)-(1B) substituted for s. 52(1) by [2015 c. 8 Sch. 2 para. 29](#)
- s. 80(1)(a)(iib) inserted by [2021 c. 1 s. 109\(3\)](#)
- s. 102(2)(a) words in s. 102(2) renumbered as s. 102(2)(a) by [2008 c. 30 s. 44\(5\)\(a\)](#)
- s. 102(2)(b) inserted by [2008 c. 30 s. 44\(5\)\(b\)](#)
- s. 103(1A) inserted by [2008 c. 30 s. 44\(6\)](#)
- s. 117A inserted by [2008 c. 30 Sch. 10 para. 3](#)
- s. 126(1)-(1B) substituted for s. 126(1) by [2015 c. 8 Sch. 2 para. 31](#)
- s. 188(1)(ba) inserted by [2008 c. 30 Sch. 10 para. 6](#)
- s. 189A inserted by [2008 c. 30 Sch. 10 para. 7](#)
- s. 209(9) added by [2008 c. 30 Sch. 10 para. 8](#)
- s. 291(4)(f) and word inserted by [2021 c. 1 Sch. 3 para. 19\(b\)](#)
- s. 318(3)(a)(viii)-(x) inserted by [2015 c. 8 Sch. 2 para. 38\(3\)\(a\)](#)
- s. 318(3)(b)(vi)-(viii) inserted by [2015 c. 8 Sch. 2 para. 38\(3\)\(b\)](#)
- Sch. 4 para. 7(5)(b) inserted by [2008 c. 30 s. 44\(8\)\(b\)](#)
- Sch. 4 para. 13(3) inserted by [2008 c. 30 s. 44\(9\)\(b\)](#)
- Sch. 4 para. 7(5)(a) words in Sch. 4 para. 7(5) renumbered as Sch. 4 para. 7(5)(a) by [2008 c. 30 s. 44\(8\)\(a\)](#)
- Sch. 7 para. 21(2)(c)-(cc) substituted for Sch. 7 para. 21(2)(b)(c) by [2008 c. 30 Sch. 8 para. 11](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 8 para. 10 (3.1.2012) omitted without ever being in force by virtue of 2011 c. 19, Sch. 4 para. 20; [S.I. 2011/3034 art. 3\(i\)\(iv\)](#))