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SCHEDULE 1

The New Provisions

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APPENDIX 2—RULES OF THE CAA SECTION

PART 1:

ADMINISTRATIVE PROVISIONS

18.

EVENTS LEADING TO WINDING-UP OF THE CAA SECTION

Triggering events

18.1 Except as provided in Rule 18.2 below, the CAA Section shall be terminated and wound-up in accordance with Rule 19 upon the happening of any of the following events (whichever shall first occur):

- (a) if it shall appear to the Trustees that the CAA Section is insolvent or if the Trustees shall have received advice from the Actuary to that effect and there are no proposals acceptable to the Trustees which in the opinion of the Actuary would restore the solvency of the CAA Section, and the Trustees resolve to terminate the CAA Section;
- (b) if the Sponsoring Section Employer terminates its liability to contribute to the CAA Section by notice to the Trustees as described in Rule 17 and no other Employer participating in the CAA Section assumes the obligations and duties of the Sponsoring Section Employer in relation to the CAA Section as provided for in that Rule within a period of three months (or such longer period as the Trustees shall determine) from the date of such notice;
- (c) if the Sponsoring Section Employer shall at any time fail to pay to the Trustees any sum or sums on or within seven days after the date on which the Trustees shall have required the same to be paid under Rule 11 or shall fail to observe and perform any other of its obligations under the Trust Deed or in the CAA Rules or in any deed or agreement supplemental hereto and (in either case) the Trustees resolve to terminate the CAA Section;
- (d) if legislation is passed whereby the Sponsoring Section Employer shall cease to carry on business and no company, other body or Employer assumes the obligations and duties of the Sponsoring Section Employer in relation to the CAA Section as described in Rule 17 within a period of three months (or such longer period as the Trustees shall determine) from the date of the order or resolution or cessation of business as appropriate;
- (e) if the Occupational Pensions Regulatory Authority, pursuant to section 11 of the Pensions Act 1995(1), directs or authorises the CAA Section to be wound up;

provided always that if any of the above events other than that described in paragraph (c) above occurs and no other Employer assumes the obligations of the Sponsoring Section Employer under the CAA Section, the Trustees shall at their discretion either apply to the Secretary of State for directions and comply with those directions or proceed to the winding-up of the CAA Section in accordance with Rule 19.

Deferment of winding-up

18.2 Upon the occurrence of any of the events described in Rule 18.1 (other than the events described in paragraphs (a) and (e) of that Rule), the Trustees may at their discretion decide to defer giving effect to the winding-up of the CAA Section and may continue to administer the CAA Section

(1) 1995 c. 26.

on the basis that no further employees shall be admitted to membership of the CAA Section. They may also determine:

- (a) that there shall be no liability on the Employers participating in the CAA Section or, where appropriate, on the Members to make further contributions to the CAA Section, and
- (b) that no further benefits are to accrue under the CAA Section to or in respect of Members.

The CAA Section shall subsequently be wound up upon the happening of any of the events described in paragraphs (a) and (e) of Rule 18.1 or at any earlier date determined by the Trustee.