
STATUTORY INSTRUMENTS

2005 No. 670

The Pension Protection Fund (Compensation) Regulations 2005

PART 4

Admissible Rules

Special provision in relation to pensions in payment to survivors

9. Where immediately before the assessment date—

- (a) a person is entitled to present payment of a pension under the scheme rules;
- (b) that pension is attributable to the pensionable service of a member of the scheme who has died; and
- (c) the effect of disregarding rules within paragraphs (a) and (b) of paragraph 35(2) of Schedule 7 to the Act, is that the person is not entitled to compensation under paragraph 3(2) (pensions in payment at assessment date) by reason of the pension or a part of the pension,

that person shall be treated, for the purposes of the pension compensation provisions, as entitled, immediately before the assessment date, to present payment of a pension under the admissible rules.

Special provision in relation to pensions in payment following early retirement

10.—(1) Where immediately before the assessment date—

- (a) a person is entitled to present payment of a pension under the scheme rules;
- (b) the scheme rules provide that the award of that pension is dependent on—
 - (i) that person having attained early retirement age; and
 - (ii) the consent of—
 - (aa) the trustees or managers; or
 - (bb) the employer; [^{F1}and]
- (c) the effect of disregarding rules within paragraphs (a) and (b) of paragraph 35(2) of Schedule 7 to the Act (scheme rules, admissible rules etc) is that the person is not entitled to compensation under paragraph 3(2) by reason of the pension or a part of the pension,

paragraphs (2) and (3) shall apply.

(2) Where in the opinion of the trustees or managers—

- (a) the trustees or managers; or
- (b) the employer,

would have consented to the award of a pension to that person under the admissible rules of the scheme prior to the assessment date, they must notify the Board in that respect.

(3) Where the Board receives a notice under paragraph (2) that person shall be treated, for the purposes of the pension compensation provisions, as entitled, immediately before the assessment date, to present payment of a pension under the admissible rules.

F1 Word in reg. 10(1)(b)(ii)(bb) inserted (30.4.2013) by [The Pension Protection Fund, Occupational and Personal Pension Schemes \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/627\)](#), regs. 1(1), 3(7)

Special provision in relation to pensions in payment on grounds of ill-health

11.—(1) Where immediately before the assessment date—

- (a) a person is entitled to present payment of a pension under the scheme rules;
- (b) that pension was awarded by the trustees or managers on grounds of ill health; and
- (c) the effect of disregarding rules within paragraphs (a) and (b) of paragraph 35(2) of Schedule 7 to the Act is that the person is not entitled to compensation under paragraph 3(2) by reason of the pension or a part of the pension,

paragraphs (2) and (3) shall apply.

(2) Where in the opinion of the trustees or managers of the scheme a person to whom paragraph (1) applies would have been awarded an ill health pension under the admissible rules of the scheme prior to the assessment date, they must notify the Board in that respect.

(3) Where the Board receives a notice under paragraph (2) that person shall be treated, for the purposes of the pension compensation provisions, as entitled, immediately before the assessment date, to present payment of a pension under the admissible rules.

Modification of Schedule 7 in relation to certain pensions in payment before the assessment date

12.—(1) Where immediately before the assessment date—

- (a) a person is entitled to present payment of a pension under the scheme rules;
- (b) the effect of disregarding rules within paragraphs (a) and (b) of paragraph 35(2) of Schedule 7 to the Act is that the person is not entitled to compensation under paragraph 3(2) by reason of the pension or a part of the pension; and
- (c) regulations 9, 10 or 11 of these Regulations do not apply to that person,

Schedule 7 to the Act shall be modified in its application to that person as specified in paragraphs (2) and (3).

(2) Where a person to whom paragraph (1) applies has received a lump sum under the scheme rules, Schedule 7 shall apply to that person as if paragraph 19 (compensation payable as a lump sum) were omitted.

(3) Where a person to whom paragraph (1) applies has exercised an option to commute a portion of his pension for a lump sum under the scheme rules, Schedule 7 shall apply to that person as if—

- (a) after paragraph 15(4) of Schedule 7 there were inserted—

“**15.(4A).** Where the deferred member has exercised an option to commute a portion of a pension for a lump sum under the scheme rules, the protected pension rate shall be reduced by the percentage of the pension commuted for a lump sum under the scheme rules.

- 15.(4B).** Paragraph (4A) shall not apply where the admissible rules provide, in whatever form, that the initial annual rate of the pension shall be reduced by reference to the amount of the pension commuted for a lump sum under the scheme rules.”; and
- (b) paragraph 24 (commutation of periodic compensation) were omitted.

Changes to legislation:

There are currently no known outstanding effects for the The Pension Protection Fund (Compensation) Regulations 2005, PART 4.