
STATUTORY INSTRUMENTS

2016 No. 294

**The Pension Protection Fund and
Occupational and Personal Pension Schemes
(Miscellaneous Amendments) Regulations 2016**

PART 3

Pension Protection Fund amendments

Amendments to the Pension Protection Fund (Compensation) Regulations 2005

4.—(1) The Pension Protection Fund (Compensation) Regulations 2005⁽¹⁾ are amended as follows.

(2) In regulation 1(2) (interpretation)⁽²⁾, for the definition of “PPF trivial commutation lump sum” substitute—

““PPF trivial commutation lump sum” has the meaning given in regulation 20(2) (circumstances in which the portion of compensation to be commuted may exceed 25 per cent);”.

(3) In regulation 2(2) (circumstances where a person shall be entitled to early payment of compensation)⁽³⁾, for sub-paragraph (b) substitute—

“(b) that on the date on which the compensation is to become payable early the person has attained—

(i) except in a case to which paragraph (ii) applies, normal minimum pension age as defined in section 279(1) of the 2004 Act⁽⁴⁾;

(ii) in a case where the person has a protected pension age of less than 50 by virtue of paragraph 22 of Schedule 36 to the 2004 Act (rights to take benefit before normal minimum pension age)⁽⁵⁾, the age of 50.”.

(4) In regulation 19 (commutation of periodic compensation)⁽⁶⁾—

(a) in paragraph (1), for “paragraphs (2) and (3)” substitute “paragraph (2)”; and

(b) omit paragraph (3).

(1) [S.I. 2005/670](#); relevant amending instruments are S.I.s [2006/580](#), [2007/782](#), [2010/560](#), [2013/627](#) and [2014/1711](#).
(2) The definition of “PPF trivial commutation lump sum” was inserted by [S.I. 2006/580](#); there are other amendments to regulation 1(2) but none is relevant.
(3) Sub-paragraph (b) of regulation 2(2) was substituted by [S.I. 2010/560](#).
(4) See regulation 1(2) of [S.I. 2005/670](#) for the meaning of “the 2004 Act”.
(5) Paragraph 22 was amended by paragraphs 54 and 55 of Schedule 10 to the Finance Act 2005 (c. 7), paragraph 43 of Schedule 23 to the Finance Act 2006 (c. 25), paragraph 432 of Schedule 1 to the Corporation Tax Act 2010 (c. 4) and paragraph 7 of Schedule 5 to the Finance Act 2014 (c. 26).
(6) Regulation 19(1) was amended by [S.I. 2006/580](#). Paragraph (3) of regulation 19 was inserted by [S.I. 2006/580](#) and amended by S.I.s [2013/627](#) and [2007/782](#). There are other amendments to regulation 19 but none is relevant.

(5) In regulation 25(3) (cash balance schemes: modification of Schedule 7 to the Act)(7), for “In this regulation” substitute “In this Part”.

(6) In Part 10, after regulation 25(8) insert—

“Cash balance schemes: modification of Schedule 7 to the Act

25A.—(1) In its application to a cash balance scheme, paragraph 37 of Schedule 7 to the Act (other definitions)(9) applies as if, after sub-paragraph (4) there were inserted—

“(5) In this Schedule references to a lump sum to which a person is entitled, or which a person has been paid, by reason of commuting part of a pension under the scheme include any lump sum to which the person is entitled, or which the person has been paid, by reason of opting to receive a lump sum instead of a pension, or part of a pension, in respect of cash balance benefits under the scheme.”.

(2) In its application to a cash balance scheme other than a scheme to which regulation 25 applies, paragraph 37(1) of Schedule 7 to the Act applies as if, before the definition of “deferred member” there were inserted—

““cash balance benefit” has the meaning given by regulation 2 of the Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014(10);”.”.

(7) Paragraph (3) of regulation 25 was inserted by [S.I. 2014/1711](#).

(8) Regulation 25 was amended by S.I.s [2010/560](#) and [2014/1711](#).

(9) See regulation 1(2) of [S.I. 2005/670](#) for the meaning of “the Act”. There is an amendment to paragraph 37 not relevant to these Regulations.

(10) [S.I. 2014/1711](#).