



Pensions Act 2004

2004 CHAPTER 35

PART 2

THE BOARD OF THE PENSION PROTECTION FUND

CHAPTER 3

PENSION PROTECTION

Closed schemes

153 Closed schemes

- (1) This section applies where section 151(2) or (3) (scheme rescue not possible but scheme has sufficient assets to meet the protected liabilities) applies in relation to an eligible scheme.
- (2) If the trustees or managers of the scheme are unable to obtain a full buy-out quotation, they must, within the authorised period, apply to the Board for authority to continue as a closed scheme.
- (3) For the purposes of determining whether they must make an application under subsection (2), the trustees or managers of the scheme must take all reasonable steps to obtain a full buy-out quotation in respect of the scheme.
- (4) An application under subsection (2) must—
 - (a) be in the prescribed form and contain the prescribed information, and
 - (b) be accompanied by evidence in the prescribed form which shows that the trustees or managers of the scheme have complied with the obligation under subsection (3) but were unable to obtain a full buy-out quotation.
- (5) Where the Board receives an application under subsection (2), if it is satisfied that the trustees or managers have complied with the obligation under subsection (3) but were

Status: This is the original version (as it was originally enacted).

unable to obtain a full buy-out quotation, it must authorise the scheme to continue as a closed scheme.

- (6) Where the Board determines an application in respect of a scheme under this section, it must issue a determination notice and give a copy of that notice to—
- (a) the trustees or managers of the scheme, and
 - (b) the Regulator.

- (7) In this section—

“authorised period” has the same meaning as in section 151;

“determination notice” means a notice which is in the prescribed form and contains such information about the determination as may be prescribed;

“full buy-out quotation”, in relation to a scheme, means a quotation for one or more annuities from one or more insurers (being companies willing to accept payment in respect of the members from the trustees or managers of the scheme) which would provide in respect of each member of the scheme, from a relevant date, benefits in accordance with the member’s entitlement or accrued rights, including pension credit rights, under the scheme rules (other than his entitlement or rights in respect of money purchase benefits);

“pension credit rights” has the meaning given by section 124(1) of the Pensions Act 1995 (c. 26);

“relevant date” means a date within the authorised period.

- (8) If the trustees or managers of the scheme fail to comply with subsection (2) or (3), section 10 of the Pensions Act 1995 (civil penalties) applies to any trustee or manager who has failed to take all reasonable steps to secure compliance.