

*These notes refer to the Pensions Act 2004 (c.35)
which received Royal Assent on 18 November 2004*

PENSIONS ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1 – the Pensions Regulator

Transactions at an undervalue

Section 55: Contribution notice where failure to comply with restoration order

209. Whereas *section 54* provides for enforcement of the restoration order where it imposes an obligation to transfer or pay a sum of money, this section gives the Regulator power to issue a contribution notice where there is a failure to comply with a restoration order which has imposed an obligation to transfer assets other than money, such as property or land for example. *Subsection (2)* sets out that a contribution notice issued under this section imposes a duty on the person to whom it is issued to pay a specified sum to the trustees or managers of the scheme, or the Board of the Pension Protection Fund where it has assumed responsibility for the scheme. *Subsection (3)* provides that the contribution due may be either the whole or a specified part of the shortfall sum in relation to the scheme. *Subsection (4)* defines the “shortfall sum” as the Regulator’s estimate of the amount of the decrease in the value of the assets of the scheme as a result of the transaction at an undervalue.