
STATUTORY INSTRUMENTS

2005 No. 441

The Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations 2005

PART 4

SEGREGATED SCHEMES:

**NON-SEGREGATED MULTI-EMPLOYER SECTIONS OF
SEGREGATED SCHEMES WITH REQUIREMENT FOR PARTIAL
WIND UP ON WITHDRAWAL OF PARTICIPATING EMPLOYER**

[^{F1}Closed schemes, requirement to wind up schemes with sufficient assets and applications and notifications where closed schemes have insufficient assets]

41.—(1) Section 153 of the Act (closed schemes) shall be modified in its application to a segregated part to which regulation 28 applies so that it shall be read as if—

- (a) for the words “(scheme rescue not possible but scheme has sufficient assets to meet the protected liabilities)” in subsection (1), there were substituted the words “ (scheme rescue not possible in relation to a segregated part of a multi-employer section of a segregated scheme but segregated part has sufficient assets to meet the protected liabilities) ”;
- (b) for the words “a closed scheme” in subsection (2), there were substituted the words “ a closed section of a scheme ”;
- (c) for the words “a closed scheme” in subsection (5), there were substituted the words “ a closed section of a scheme ”;
- (d) after subsection (6), there were inserted the following subsection—

“(6A) Where the trustees or managers of a segregated part of a multi-employer section of a segregated scheme receive a notice from the Board under subsection (6), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”; and

- (e) for the definition of “full buy-out quotation” in subsection (7), there were substituted the following definition—

““full buy-out quotation”, in relation to a segregated part of a multi-employer section of a segregated scheme, means a quotation for one or more annuities from one or more insurers (being companies willing to accept payment in respect of members of the segregated part from the trustees or managers of the scheme) which would provide in respect of each of those members, 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 entitlement or rights in respect of money purchase benefits).”.

(2) Section 154 of the Act (requirement to wind up schemes with sufficient assets to meet protected liabilities) shall be modified in its application to a segregated part to which regulation 28 applies so that it shall be read as if—

- (a) for the words “(scheme rescue not possible but scheme has sufficient assets to meet the protected liabilities)” in paragraph (a) of subsection (2), there were substituted the words “ (scheme rescue not possible in relation to a segregated part of a multi-employer section of a segregated scheme but segregated part has sufficient assets to meet the protected liabilities) ”;
- [^{F2}(aa) the words “determination made by the Board or” in subsection (5)(b), were omitted;]
- (b) for the words “a scheme is wound up” in subsection (6), there were substituted the words “ a segregated part of a multi-employer section of a segregated scheme is wound up ”;
- (c) for the words “winding up of a scheme” in subsection (11), there were substituted the words “ winding up of a segregated part of a multi-employer section of a segregated scheme ”; and
- (d) for the words “in relation to a scheme” in subsection (12), there were substituted the words “ in relation to a segregated part of a multi-employer section of a segregated scheme ”.
- (3) Section 155 of the Act (treatment of closed schemes) shall be modified in its application to a segregated part to which regulation 28 applies so that it shall be read as if—
- (a) for subsection (1), there were substituted the following subsection—
- “(1) In this section “closed scheme” means a segregated part of a multi-employer section of a segregated scheme which is, for the purposes of this Part, an eligible scheme which is authorised under section 153 to continue as a closed section of the scheme.”; and
- (b) after the words “The provisions mentioned in subsection (3)” in subsection (2), there were inserted the words “ as they apply to a segregated part of a multi-employer section of a segregated scheme ”.
- (4) Section 156 of the Act (valuations of closed schemes) shall be modified in its application to a segregated part to which regulation 28 applies so that it shall be read as if—
- (a) for the words “closed schemes” in subsection (1) and paragraph (a) of subsection (2), there were substituted the words “ a closed segregated part of a multi-employer section of a segregated scheme ”; and
- (b) for the words “a closed scheme” in subsection (5), there were substituted the words “ a closed segregated part of a multi-employer section of a segregated scheme ”.
- (5) Section 157 of the Act [^{F3}(applications and notifications where closed schemes have insufficient assets)] shall be modified in its application to a segregated part to which regulation 28 applies so that it shall be read as if, after subsection (4), there were inserted the following subsection—
- “(4A) Where the trustees or managers of a segregated part of a multi-employer section of a segregated scheme receive a notice from the Board under subsection (4), they must send a copy of that notice as soon as practicable to the trustees or managers of each section of the scheme (if different) and to all the employers in relation to the scheme.”.
- [^{F4}(6) Section 158 of the Act (duty to assume responsibility for closed schemes) shall be modified in its application to a segregated part to which regulation 28 applies so that it shall be read as if—
- (a) for subsection (3), there were substituted the following subsection—
- “(3) For the purposes of determining whether the condition in subsection (1) is satisfied, the Board must, as soon as reasonably practicable, obtain an actuarial valuation (within the meaning of section 143) of the segregated part as at the relevant time.”;
- (b) subsection (3A) were omitted;
- (c) in subsection (5)—

- (i) for the words “a determination made under subsection (3)(a) and a valuation obtained under subsection (3)(b)” there were substituted the words “a valuation obtained under subsection (3);
- (ii) for the words “a determination made under section 143(2)(a) and a valuation obtained under section 143(2)(b)” there were substituted the words “a valuation obtained under section 143”; and
- (iii) paragraph (aa) were omitted; and
- (d) in subsection (6)–
 - (i) “, 143A” were omitted; and
 - (ii) paragraph (aa) were omitted.]

Textual Amendments

- F1** Words in reg. 41 heading substituted (1.4.2005) by *The Occupational Pension Schemes and Pension Protection Fund (Amendment) Regulations 2005* (S.I. 2005/993), regs. 1(1), **5(5)(h)(i)**
- F2** Reg. 41(2)(aa) inserted (24.1.2013) by *The Pension Protection Fund (Miscellaneous Amendments) (No. 2) Regulations 2012* (S.I. 2012/3083), regs. 1(2)(b), **2(12)(a)** (with regs. 9(2), 10)
- F3** Words in reg. 41(5) substituted (1.4.2005) by *The Occupational Pension Schemes and Pension Protection Fund (Amendment) Regulations 2005* (S.I. 2005/993), regs. 1(1), **5(5)(h)(ii)**
- F4** Reg. 41(6) inserted (24.1.2013) by *The Pension Protection Fund (Miscellaneous Amendments) (No. 2) Regulations 2012* (S.I. 2012/3083), regs. 1(2)(b), **2(12)(b)** (with regs. 9(2), 10)

Changes to legislation:

There are currently no known outstanding effects for the The Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations 2005, Section 41.