
STATUTORY INSTRUMENTS

2007 No. 834

The Pension Protection Fund (Contributions Equivalent Premium) Regulations 2007

Deduction of a CEP from compensation payable - Northern Ireland

9. Where a CEP is payable by the Board of the Pension Protection Fund by virtue of a transfer under Article 145 of the 2005 Order (effect of Board assuming responsibility for a scheme), section 57 of the 1993 NI Act⁽¹⁾(deduction of contributions equivalent premium from refund of scheme contributions) shall be modified as if after subsection (11) there were inserted—

“(11A) Subsections (11B) to (11D) apply where—

- (a) an earner’s service in contracted-out employment ceases on or after the beginning of an assessment period (construed in accordance with Article 116 of the Pensions (Northern Ireland) Order 2005);
- (b) the earner is entitled to compensation under paragraph 20 of Schedule 6 to the Pensions (Northern Ireland) Order 2005 (compensation in respect of scheme right to transfer payment or contribution refund) (“the compensation”); and
- (c) a contributions equivalent premium falls to be paid by the Board of the Pension Protection Fund (“the Board”) in respect of that earner.

(11B) The Board shall be entitled to deduct from the compensation payable to the earner an amount equal to so much of the premium as is attributable to any actual reductions of primary Class 1 contributions.

(11C) The Board—

- (a) shall reduce the compensation payable by the amount referred to in subsection (11B); and
- (b) may delay payment of the compensation for the purposes of calculating the amount to be deducted.

(11D) Where the period taken into account in calculating the amount referred to in subsection (11B) does not coincide with that in respect of which the compensation is payable, the amount that shall be deducted under that subsection shall be determined by reference to so much of that amount and of the compensation as are referable to the same period.”.

(1) Section 57 was amended by paragraph 47 of Schedule 3 to the Pensions (Northern Ireland) Order 1995, paragraph 66 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999, paragraph 6(2) of Schedule 5 to the Child Support, Pensions and Social Security Act 2000 and paragraph 8 of Schedule 10 to the Pensions (Northern Ireland) Order 2005.