
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986, as amended) (“the FAS Regulations”) which allow for payments to be made to, or in respect of, certain members or former members of certain occupational pension schemes where the liabilities of the scheme to those members are unlikely or unable to be satisfied in full.

They also amend the Financial Assistance Scheme (Provision of Information and Administration of Payments) Regulations 2005 (S.I. 2005/2189, as amended), the Financial Assistance Scheme (Internal Review) Regulations 2005 (S.I. 2005/1994, as amended), the Financial Assistance Scheme (Appeals) Regulations 2005 (S.I. 2005/3273, as amended), the Occupational Pension Schemes (Contracting-out) Regulations 1996 (S.I. 1996/1172, as amended) and the Occupational Pension Schemes (Contracting-out) Regulations (Northern Ireland) 1996 (S.R. 1996 No. 493, as amended) in relation to the financial assistance scheme (“the FAS”).

Part 2 amends the FAS Regulations. In particular it—

- (a) confers certain functions on the Board of the Pension Protection Fund in relation to the FAS. The functions are to advise the FAS scheme manager in relation to the FAS on request of the scheme manager and to manage or make arrangements in relation to the management of the transfer of certain scheme property, rights and liabilities. The Secretary of State shall pay a grant to the Board of the Pension Protection Fund in connection with those functions;
- (b) provides further conditions which may be satisfied by an employer in order for the pension scheme to which that employer relates to be a qualifying pension scheme for the purposes of the FAS;
- (c) makes provision for ill health payments and interim ill health payments to be payable to qualifying members within 5 years of normal retirement age where the scheme manager is satisfied that the qualifying member is unable to work due to ill health and is likely to continue to be so unable to work until their normal retirement age. A new Schedule (Schedule 2A to the FAS Regulations) makes provision for the determination of the amount of ill health payments and interim ill health payments;
- (d) removes the requirement in regulation 18 of the FAS Regulations for a written request from the trustees or managers of a pension scheme in order for the scheme manager to use his discretion to make initial payments; and
- (e) applies a modified section 134 and section 191 of the Pensions Act 2004 (c.35) in relation to the FAS, so that the scheme manager may give a relevant person directions in relation to a qualifying pension scheme which is winding-up and to extend the power to give notices under section 191 to the Board of the Pension Protection Fund in relation to their functions which relate to the FAS.

Part 3 amends the Financial Assistance Scheme (Provision of Information and Administration of Payments) Regulations 2005. In particular it amends the period during which certain information is to be provided by appropriate persons.

Part 4 amends the Financial Assistance Scheme (Internal Review) Regulations 2005 and the Financial Assistance Scheme (Appeals) Regulations 2005 in order to make provision for the internal review and appeal of certain decisions relating to ill health payments and interim ill health payments and to make an amendment in relation to appeals by survivors.

Status: *This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

Part 5 amends the Occupational Pension Schemes (Contracting-out) Regulations 1996 and the Occupational Pension Schemes (Contracting-out) Regulations (Northern Ireland) 1996, to amend regulation 49 of those instruments to insert a further condition which must be satisfied in order for a member of a contracted-out scheme to have their state scheme rights restored. The condition is that the member is not a qualifying member of a qualifying pension scheme for the purposes of the FAS. Part 5 also makes provision for an exception for such members who have been notified in accordance with regulation 50 before the date on which these Regulations came into force.

Before making these Regulations the Secretary of State consulted such persons as he considers appropriate.

An impact assessment has not been published for this instrument as it has only a negligible impact on the private or voluntary sectors.