
STATUTORY INSTRUMENTS

2013 No. 627

**The Pension Protection Fund, Occupational
and Personal Pension Schemes (Miscellaneous
Amendments) Regulations 2013**

Amendment of the Pension Protection Fund (Compensation) Regulations 2005

3.—(1) The Pension Protection Fund (Compensation) Regulations 2005⁽¹⁾ are amended as follows.

(2) In regulation 1(2) (interpretation) after the definition of “the assessment date”⁽²⁾ insert—
““commutation limit” means the amount specified in paragraph 7(4) of Schedule 29⁽³⁾ to the 2004 Act (trivial commutation lump sum);”.

(3) In regulation 2 (circumstances where a person shall be entitled to early payment of compensation), omit paragraph (5).

(4) After Part 2 (early payment of compensation), insert—

“PART 2A

Postponement of compensation

Postponing compensation

2A.—(1) A person who becomes entitled to periodic compensation under paragraph 5⁽⁴⁾, 8⁽⁵⁾, 11⁽⁶⁾ or 15⁽⁷⁾ of Schedule 7 to the Act, or by virtue of paragraph 21 or 21A of that Schedule, ⁽⁸⁾ may elect to postpone the commencement of periodic compensation under that paragraph—

(a) in any of the circumstances prescribed in regulation 2B; and

(b) subject to all of the conditions prescribed in regulation 2C.

(2) A person who becomes entitled to lump sum compensation under paragraph 7⁽⁹⁾, 10⁽¹⁰⁾, 14⁽¹¹⁾ or 19⁽¹²⁾ of Schedule 7 to the Act, or by virtue of paragraph 21 or 21A of

(1) [S.I. 2005/670](#).

(2) The definition of “assessment date” was inserted by [S.I. 2005/2113](#).

(3) Paragraph 7(4) was amended by paragraph 4(2) of Schedule 18 to the Finance Act [2011 \(c.11\)](#).

(4) Paragraph 5 was amended by paragraph 3 of Schedule 8 to the 2008 Act and paragraphs 23(1) and 37(3) of Schedule 4 to the 2011 Act.

(5) Paragraph 8 was amended by paragraph 23(3) of Schedule 4 to the 2011 Act.

(6) Paragraph 11 was amended by paragraph 4 of Schedule 8 to the 2008 Act and paragraph 23(5) of Schedule 4 to the 2011 Act.

(7) Paragraph 15 was amended by paragraph 7 of Schedule 8 to the 2008 Act and paragraph 23(7) of Schedule 4 to the 2011 Act.

(8) Paragraph 21 was substituted and paragraph 21A was inserted by paragraph 19(2) of Schedule 4 to the 2011 Act.

(9) Paragraph 7 was amended by paragraph 23(2) of Schedule 4 to the 2011 Act.

(10) Paragraph 10 was amended by paragraph 23(4) of Schedule 4 to the 2011 Act.

(11) Paragraph 14 was amended by paragraph 6 of Schedule 8 to the 2008 Act and paragraph 23(6) of Schedule 4 to the 2011 Act.

(12) Paragraph 19 was amended by paragraph 9 of Schedule 8 to the 2008 Act and paragraph 23(8) of Schedule 4 to the 2011 Act.

that Schedule, may elect to postpone the payment of lump sum compensation under that paragraph—

- (a) in any of the circumstances prescribed in regulation 2B; and
- (b) subject to all of the conditions prescribed in regulation 2C.

Circumstances in which periodic and lump sum compensation can be postponed

2B.—(1) The circumstances referred to in regulation 2A(1)(a) and (2)(a) are as follows.

(2) The first circumstance is where the person has—

- (a) not attained normal pension age; or
- (b) not attained normal benefit age,

on the date when an assessment period begins in relation to the scheme.

(3) The second circumstance is where the person—

- (a) has not received any pension (including any lump sum entitlement) under the scheme;
- (b) is an active member; and
- (c) has attained normal pension age,

on the date when an assessment period begins in relation to the scheme.

(4) The third circumstance is where the person—

- (a) has had their pension payment postponed; and
- (b) payment of the pension remains postponed

on the date of the transfer notice issued under section 160 of the Act(13) to trustees and managers of the scheme.

Conditions subject to which periodic and lump sum compensation can be postponed

2C.—(1) The conditions referred to in regulation 2A(1)(b) and (2)(b) are as follows.

(2) The first condition is that—

- (a) where the person elects to postpone periodic compensation in respect of a benefit under the scheme, they must also elect to postpone the payment of any lump sum compensation to which they are entitled in respect of that scheme; or
- (b) where the person elects to postpone lump sum compensation in respect of a benefit under the scheme, they must also elect to postpone the payment of any periodic compensation to which they are entitled in respect of that scheme.

(3) The second condition is that the person must not have received, or have received in respect of, any benefit under the scheme—

- (a) their pension;
- (b) any periodic compensation; or
- (c) any lump sum compensation.

(4) The third condition is that for each election to postpone periodic compensation or lump sum compensation, the person has sent written notice to the Board—

- (a) in accordance with paragraph (5);

(13) Section 160 was amended by paragraphs 12 and 17 of Schedule 4 to the 2011 Act.

- (b) that the person wishes to postpone the commencement of periodic compensation or payment of lump sum compensation; and
 - (c) before the commencement of that periodic compensation or payment of lump sum compensation.
- (5) The notice referred to in paragraph (4) must include—
- (a) the person’s name, address, date of birth and national insurance number;
 - (b) the name of the scheme for which the Board has assumed responsibility; and
 - (c) the date on which the person would like the commencement of periodic compensation or payment of lump sum compensation to cease to be postponed, which must be a date before the person attains the age of 75.

Date on which postponement ceases

2D.—(1) Periodic compensation and lump sum compensation ceases to be postponed on the date elected under regulation 2C(5)(c) unless the person has further elected an earlier date or a later date (which must be a date before the person attains the age of 75).

(2) A person who wishes to make a further election under this regulation must send a written notice to the Board before the date notified (or most recently notified) under regulation 2C(5)(c).

(3) The notice referred to in paragraph (2) must include the information set out in regulation 2C(5).”.

- (5) In regulation 4(3) (compensation for surviving dependants)—
- (a) in sub-paragraph (a)—
 - (i) omit “or unborn child”, and
 - (ii) for “demonstrating” substitute “or other evidence demonstrating to the satisfaction of the Board”, and
 - (b) after sub-paragraph (b), insert—
 - “(ba) in the case of a child of the member who, at the date of the member’s death, was being carried by the mother and had not been born, evidence demonstrating to the satisfaction of the Board that the child—
 - (i) is the child of the member; and
 - (ii) would have been a dependant of the member had the child been born before the date of the member’s death; or”.
- (6) In regulation 7(4)(14) (period of payment)—
- (a) for “Where” substitute “This paragraph applies where”, and
 - (b) for “later” substitute “earlier”.
- (7) At the end of regulation 10(1)(b)(ii)(bb) (special provision in relation to pensions in payment following early retirement), insert “and”.
- (8) In regulation 19 (commutation of periodic compensation)(15)—
- (a) for paragraph (2)(b)(ii), substitute—
 - “(ii) payment of periodic compensation commences,”, and
 - (b) in paragraph (3), omit “PPF”.

(14) Regulation 7(4) was amended by [S.I. 2005/2113](#).

(15) Regulation 19(3) was added by [S.I. 2006/580](#) and amended by [S.I. 2007/782](#).

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

(9) In regulation 20(**16**) (circumstances in which the portion of compensation to be commuted may exceed 25 per cent) omit paragraph (4).

(10) In regulation 22(1) (application of compensation cap where compensation becomes payable on different dates) for “paragraph (4)” substitute “paragraph (3)”.