Draft Regulations laid before Parliament under section 316(2)(n) of the Pensions Act 2004, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2014 No.

PENSIONS

The Financial Assistance Scheme (Qualifying Pension Scheme Amendments) Regulations 2014

Made - - - - ***

Coming into force in accordance with regulation 1

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 286, 315(2) and 318(1) of the Pensions Act 2004(**a**).

In accordance with section 316(2)(n) of the Pensions Act 2004, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

The Secretary of State has consulted such persons as the Secretary of State considers appropriate in accordance with section 317(1) of the Pensions Act 2004.

Citation and commencement

1. These Regulations may be cited as the Financial Assistance Scheme (Qualifying Pension Scheme Amendments) Regulations 2014 and come into force on the day after the day on which they are made.

Amendment of the Financial Assistance Scheme Regulations 2005

2.—(1) Regulation 9 (qualifying pension schemes) of the Financial Assistance Scheme Regulations 2005(**b**) is amended in accordance with paragraphs (2) and (3).

(2) In paragraph (1)(b) after "paragraph (1B)" insert "or (1D)".

(3) After paragraph (1C) insert—

"(1D) This paragraph applies where—

(a) the scheme began to wind up during the period beginning on 23rd December 2008 and ending with the day before the day on which the Financial Assistance Scheme (Qualifying Pension Scheme Amendments) Regulations 2014 come into force;

(**a**) 2004 c.35. Section 286 was amended by section 18(2) and (3) of the Pensions Act 2007 (c.22), section 124 of the Pensions Act 2008 (c.30) and sections 23(1) and 24 of the Pensions Act 2011 (c.19). Section 286 is modified in its application to multi-employer schemes by S.I. 2005/441 (amended by S.I. 2005/993, 2005/2113, 2008/731, 2010/725, 2011/2973 and 2012/1688). Section 316(2)(n) was amended by section 124(9) of the Pensions Act 2008. Section 318(1) is cited because of the meanings given to "prescribed" and "regulations".

(**b**) S.I. 2005/1986. Regulation 9 was amended by 2007/3581, 2008/1903 and 2008/3069.

(b) paragraph (i) or (ii) of paragraph (1)(c) applies by virtue of an insolvency event which occurred before 6th April 2005;

(c) there has not been an insolvency event in relation to the relevant employer which would be a qualifying insolvency event for the purposes of section 127 or Article 111 (duty to assume responsibility for schemes following insolvency event) if the scheme were an eligible scheme; and

(d) the relevant employer ceased to be an employer in relation to the scheme prior to 10th June 2011.

(1E) In paragraph (1D), "relevant employer" means the person who employed persons in the description or category of employment to which the scheme relates or related immediately before the time at which the scheme ceased to have any active members.

(1F) Where a scheme is a qualifying pension scheme for the purposes of these Regulations by virtue of paragraph (1D), that scheme is not an eligible scheme for the purposes of section 126(1)(b) or, as the case may be, Article 110(1)(b) (eligible schemes).".

Signed by authority of the Secretary of State for Work and Pensions.

Name
Minister of State,
Date Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986) to add a new category of qualifying pension scheme. Under the amendment, a scheme is a qualifying pension scheme for the Financial Assistance Scheme ("FAS") if:

1. it commenced wind-up between 23rd December 2008 and the day before these Regulations come into force;

2. it winds up underfunded due to an insolvency event which occurred before 6th April 2005;

3. there has not been a qualifying insolvency event for the purposes of section 127 of the Pensions Act 2004 (c.35) or Article 111 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I.)); and

4. the relevant employer ceased to be an employer in relation to the scheme prior to 10th June 2011.

The Regulations also provide that where such a scheme qualifies for FAS purposes, it cannot be an eligible scheme for Pension Protection Fund purposes.

No impact assessment has been prepared for this instrument as its provisions do not have an impact on private, voluntary or public sector organisations.

© Crown copyright 2014

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Carol Tullo, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

ISBN 978-0-11-110898-7

£4.00

UK201401299 02/2014 19585

http://www.legislation.gov.uk/id/ukdsi/2014/9780111108987