

*These notes relate to the Family Law (Scotland) Act 2006
(asp 2) which received Royal Assent on 20 January 2006*

FAMILY LAW (SCOTLAND) ACT 2006

EXPLANATORY NOTES

THE ACT

Financial provision

Section 17: Financial provision on divorce and dissolution of civil partnership: Pension Protection Fund

30. The purpose of this section is to amend matrimonial legislation to take account of the introduction of the Pension Protection Fund (PPF). The fund, which is designed to protect members of eligible private sector defined pension schemes where the employer has become insolvent, was introduced in the Pensions Act 2004. Once the PPF provisions of the Pensions Act come into force, where an eligible private sector pension scheme is unable to meet the minimum level of members benefits, the scheme's assets and liabilities will be transferred into the PPF which will be administered by a Pension Protection Board. The Board will have responsibility for making compensation (not pension) payments to existing pensioners and to pay such compensation to other members when they reach retirement. This section ensures that Scotland's policy relating to pension sharing on divorce and the PPF will be consistent with that in the rest of the UK.
31. A consequential amendment has been made in paragraph 5 of schedule 2 to the Act to section 12 A(2) of the Family Law (Scotland) Act 1985.