

2005 No. 136

PENSIONS

**The Pension Protection Fund (Pension Compensation Cap)
Order (Northern Ireland) 2005**

Made - - - - - *18th March 2005*

Coming into operation *6th April 2005*

The Department for Social Development, in exercise of the powers conferred on it by paragraph 26(7) of Schedule 6 to the Pensions (Northern Ireland) Order 2005(a) and of all other powers enabling it in that behalf, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Pension Protection Fund (Pension Compensation Cap) Order (Northern Ireland) 2005 and shall come into operation on 6th April 2005.

The compensation cap

2. The amount specified for the purposes of paragraph (a) of the definition of “the compensation cap” in paragraph 26(7) of Schedule 6 to the Pensions (Northern Ireland) Order 2005 (pension compensation provisions) shall be £27,777.78.

Sealed with the Official Seal of the Department for Social Development on 18th March 2005.

(L.S.)

John O'Neill

A senior officer of the Department for Social Development

(a) S.I. 2005/255 (N.I. 1); see paragraph (a) of the definition of “the compensation cap”

EXPLANATORY NOTE

(This note is not part of the Order.)

The Board of the Pension Protection Fund (“the Board”) is established by section 107 of the Pensions Act 2004 (c. 35) to provide compensation for members of certain occupational pension schemes in the event of the insolvency of the scheme’s sponsoring employer and where the pension scheme is underfunded at a certain level.

The compensation cap is an amount used by the Board to determine the amount of compensation payable to a person who is under normal pension age on the assessment date (as described in paragraph 2 of Schedule 6 to the Pensions (Northern Ireland) Order 2005 (“the Order”)) and whose compensation is not derived from a pension payable on the grounds of ill health or a survivor’s pension. The compensation cap is used to determine the amount of compensation payable when that amount is restricted in accordance with paragraph 26 of Schedule 6 to the Order.

Paragraph 26(7) of Schedule 6 to the Order sets out the definition of “the compensation cap”. Article 2 of this Order specifies the amount of the compensation cap for the purposes of paragraph (a) of that definition as £27,777.78.

The Pensions (2005 Order) (Commencement No. 1 and Consequential and Transitional Provisions) Order (Northern Ireland) 2005 (S.R. 2005 No. 48 (C. 5)) provides for the coming into operation of paragraph 26(7) of Schedule 6 to the Order, for the purpose of authorising the making of an order on 25th February 2005 and for all other purposes on 6th April 2005.

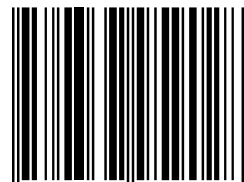
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