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STATUTORY RULES OF NORTHERN IRELAND

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**2009 No. 140**

**PENSIONS**

**The Pension Protection Fund (Pension Compensation Cap) Order (Northern Ireland) 2009**

*Made - - - - 27th March 2009*

*Coming into operation 1st April 2009*

This Order is made in exercise of the powers conferred by Article 287(3) of, and paragraphs 26(7) and 27 of Schedule 6 to, the Pensions (Northern Ireland) Order 2005(1).

The Secretary of State for Work and Pensions has made an Order(2) under section 315(5) of, and paragraphs 26(7) and 27(2) and (3) of Schedule 7 to, the Pensions Act 2004(3).

Accordingly the Department for Social Development makes the following Order:

**Citation and commencement**

1. This Order may be cited as the Pension Protection Fund (Pension Compensation Cap) Order (Northern Ireland) 2009 and shall come into operation on 1st April 2009.

**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 £31,936.32.

**Revocation**

3. The Pension Protection Fund (Pension Compensation Cap) Order (Northern Ireland) 2008(4) is revoked.

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(1) S.I. 2005/255 (N.I. 1); see paragraph (a) of the definition of “the compensation cap” in paragraph 26(7)  
(2) S.I. 2009/795  
(3) 2004 c. 35  
(4) S.R. 2008 No. 146

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**Status:** This is the original version (as it was originally made).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

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Sealed with the Official Seal of the Department for Social Development on 27th March 2009

(L.S.)

*John O'Neill*  
A senior officer of the Department for Social  
Development

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## 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 (“the Act”) 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 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 paragraphs 2 and 34 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”. This Order, which corresponds to an Order ([S.I. 2009/795](#)) made by the Secretary of State for Work and Pensions under section 315(5) of, and paragraphs 26(7) and 27(2) and (3) of Schedule 7 to, the Act, specifies the amount of the compensation cap for the purposes of paragraph (a) of that definition as £31,936.32 (Article 2). It also makes a consequential revocation (Article 3).