



Pensions Act 2004

2004 CHAPTER 35

PART 2

THE BOARD OF THE PENSION PROTECTION FUND

CHAPTER 3

PENSION PROTECTION

Provisions applying to closed schemes

155 Treatment of closed schemes

- (1) In this section “closed scheme” means an eligible scheme which is authorised under section 153 to continue as a closed scheme.
- (2) The provisions mentioned in subsection (3) apply in relation to a closed scheme at any time when the trustees or managers of the scheme are required to wind up or continue winding up the scheme under section 154 as if that time fell within an assessment period in relation to the scheme.
- (3) The provisions are—
 - (a) section 40(5) and (6) (Board to act as creditor for debt due by virtue of a contribution notice under section 38);
 - (b) section 49(5) and (6) (Board to act as creditor for debt due by virtue of a contribution notice under section 47);
 - (c) section 54(5) and (6) (Board to act as creditor for debt due by virtue of a restoration order under section 52);
 - (d) section 56(5) and (6) (Board to act as creditor for debt due by virtue of a contribution notice under section 55);
 - (e) section 133 (admission of new members, payment of contributions etc);
 - (f) section 134 (directions);

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(g) section 137 (Board to act as creditor of the employer).

(4) Regulations may require the trustees or managers of a closed scheme in relation to which the provisions mentioned in subsection (3) apply to comply with such requirements as may be prescribed when providing for the discharge of any liability to, or in respect of, a member of the scheme for pensions or other benefits.

156 Valuations of closed schemes

(1) Regulations may make provision requiring the trustees or managers of closed schemes to obtain actuarial valuations of the scheme at such intervals as may be prescribed for the purposes of enabling them to determine—

- (a) the benefits payable under the scheme rules;
- (b) whether to make an application under section 157.

(2) Regulations under this section may prescribe how—

- (a) the assets, the full scheme liabilities and the protected liabilities in relation to closed schemes, and
- (b) their amount or value,

are to be determined, calculated and verified.

(3) Subject to any provision made under subsection (2), those matters are to be determined, calculated and verified in accordance with guidance issued by the Board.

(4) In calculating the amount of any liabilities for the purposes of a valuation required by virtue of this section, a provision of the scheme rules which limits the amount of the scheme's liabilities by reference to the value of its assets is to be disregarded.

(5) Nothing in regulations under this section may require the trustees or managers of a closed scheme to obtain an actuarial valuation of the scheme until—

- (a) the period within which the issue of the determination notice, under section 153(6), in respect of the Board's determination to authorise the scheme to continue as a closed scheme, may be reviewed by virtue of Chapter 6 has expired, and

- (b) if the issue of the notice is so reviewed—

- (i) the review and any reconsideration,
- (ii) any reference to the PPF Ombudsman in respect of the issue of the notice, and
- (iii) any appeal against his determination or directions,

has been finally disposed of and the notice has not been revoked, varied or substituted.

(6) In this section, in relation to a scheme—

“actuarial valuation” means a written valuation of—

- (a) the scheme's assets,
 - (b) the full scheme liabilities, and
 - (c) the protected liabilities in relation to the scheme,
- prepared and signed by the actuary;

“the actuary” means—

- (a) the actuary appointed under section 47(1)(b) of the Pensions Act 1995 (c. 26) (professional advisers) in relation to the scheme, or

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- (b) if no such actuary has been appointed—
 - (i) a person with prescribed qualifications or experience, or
 - (ii) a person approved by the Secretary of State;
- “assets” do not include assets representing the value of any rights in respect of money purchase benefits under the scheme rules;
- “closed scheme” has the same meaning as in section 155;
- “full scheme liabilities” means—
- (a) the liabilities under the scheme rules to or in respect of members of the scheme,
 - (b) other liabilities of the scheme, and
 - (c) the estimated cost of winding up the scheme;
- “liabilities” does not include liabilities in respect of money purchase benefits under the scheme rules.