



Pensions Act 2004

2004 CHAPTER 35

PART 2

THE BOARD OF THE PENSION PROTECTION FUND

CHAPTER 3

PENSION PROTECTION

Cessation of involvement with a scheme

150 Consequences of the Board ceasing to be involved with a scheme

- (1) Where—
 - (a) an assessment period comes to an end by virtue of the Board ceasing to be involved with an eligible scheme, and
 - (b) during the assessment period any amount of any benefit payable to a member, or to a person in respect of a member, under the scheme rules was not paid by reason of section 138 (requirement to pay benefits in accordance with the pension compensation provisions),
that amount falls due to the member, or as the case may be, person at the end of that period.
- (2) Where the winding up of the scheme began before the end of the assessment period (whether by virtue of section 219 (backdating the winding up of eligible schemes) or otherwise), the reference in subsection (1)(b) to the amount of any benefit payable to a member, or to a person in respect of a member, under the scheme rules is a reference to the amount so payable taking account of any reduction required by virtue of sections 73 to 73B of the Pensions Act 1995 (c. 26) (provisions relating to the winding up of certain schemes).
- (3) Where—

Status: This is the original version (as it was originally enacted).

- (a) an assessment period comes to an end by virtue of the Board ceasing to be involved with an eligible scheme, and
 - (b) during the assessment period the amount of benefit paid to a member, or to a person in respect of a member, under the scheme rules exceeded the amount that would have been payable in the absence of section 138(6) (requirement to disregard winding up when paying benefits during assessment period),
- the trustees or managers of the scheme must, at the end of that period, take such steps as they consider appropriate (including steps to adjust future payments under the scheme rules) to recover an amount equal to the excess from the person to whom it was paid.
- (4) Subsections (1) to (3) are without prejudice to section 73A(2)(b) of the Pensions Act 1995 (c. 26) (requirement to adjust benefits paid to reflect liabilities which can be met on winding up).
 - (5) Regulations may provide that, in cases within paragraph (a) of subsection (1), benefits are to accrue under the scheme rules, in such circumstances as may be prescribed, to or in respect of members of the scheme in respect of any specified period of service being service in employment which, but for section 133(5), would have qualified the member in question for those benefits under the scheme rules.
 - (6) Regulations under subsection (5) may in particular make provision—
 - (a) for benefits not to accrue to, or in respect of, a member unless contributions are paid by or on behalf of the member towards the scheme within a prescribed period;
 - (b) for contributions towards the scheme which, but for section 133, would have been payable by or on behalf of the employer (otherwise than on behalf of an employee) during the assessment period, to fall due;
 - (c) requiring that such contributions as are mentioned in paragraph (a) or (b) are accepted for the assessment period or any part of that period;
 - (d) modifying section 31 of the Welfare Reform and Pensions Act 1999 (c. 30) (reduction of benefit where a person’s shareable rights are subject to a pension debit), in its application in relation to cases where benefits accrue under the scheme by virtue of regulations under subsection (5).
 - (7) In this section “contributions” means, in relation to an eligible scheme, contributions payable towards the scheme by or on behalf of the employer or the active members of the scheme in accordance with the schedule of contributions maintained under section 227 in respect of the scheme.