



Pensions Act 2004

2004 CHAPTER 35

PART 2

THE BOARD OF THE PENSION PROTECTION FUND

CHAPTER 3

PENSION PROTECTION

Reconsideration

151 Application for reconsideration

- (1) Where subsection (2) or (3) applies in relation to an eligible scheme, the trustees or managers of the scheme may make an application to the Board under this section for it to assume responsibility for the scheme in accordance with this Chapter.
- (2) This subsection applies where—
 - (a) a scheme failure notice has been issued under section 122(2)(a) in relation to the scheme, that notice has become binding and the trustees or managers have received a copy of the binding notice under section 125(3),
 - (b) [^{F1}the determination made by the Board or valuation obtained by the Board in respect of the scheme under section 143(2)] has become binding, and
 - (c) the Board would have been required to assume responsibility for the scheme under section 127 but for the fact that the condition in subsection (2)(a) of that section was not satisfied.
- (3) This subsection applies where—
 - (a) the Board has issued a scheme failure notice under subsection (2) of section 130 in relation to the scheme, that notice has become binding and the trustees or managers have received a copy of the binding notice under subsection (7) of that section,

Changes to legislation: *Pensions Act 2004, Section 151 is up to date with all changes known to be in force on or before 25 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (b) [^{F2}the determination made by the Board or valuation obtained by the Board in respect of the scheme under section 143(2)] has become binding, and
 - (c) the Board would have been required to assume responsibility for the scheme under section 128 but for the fact that the condition in subsection (2)(a) of that section was not satisfied.
- (4) An application under this section must be in the prescribed form, contain the prescribed information and be accompanied by—
- (a) a protected benefits quotation in the prescribed form, [^{F3}or evidence in the prescribed form which shows that the trustees or managers of the scheme have taken all reasonable steps to obtain a protected benefits quotation but were unable to do so,] and
 - (b) audited scheme accounts for a period which—
 - (i) begins with such date as may be determined in accordance with regulations, and
 - (ii) ends with a date which falls within the prescribed period ending with the day on which the application is made.
- (5) An application under this section must be made within the authorised period.
- (6) In this section “the authorised period” means the prescribed period which begins—
- (a) where subsection (2) applies, with the later of—
 - (i) the day on which the trustees or managers received the copy of the binding notice mentioned in paragraph (a) of that subsection, and
 - (ii) the day on which they received a copy of the binding [^{F4}determination or] valuation mentioned in paragraph (b) of that [^{F5}subsection], and
 - (b) where subsection (3) applies, with the later of—
 - (i) the day on which the trustees or managers received the copy of the binding notice mentioned in paragraph (a) of that subsection, and
 - (ii) the day on which they received a copy of the binding [^{F6}determination or] valuation mentioned in paragraph (b) of that subsection.
- (7) Where the Board receives an application under subsection (1), it must give a copy of the application to the Regulator.
- (8) For the purposes of this section—
- “audited scheme accounts”, in relation to a scheme, means—
 - (a) accounts obtained by the trustees or managers of the scheme (“the scheme accounts”) which are prepared in accordance with subsections (9) to (11) and audited by the auditor in relation to the scheme, and
 - (b) a report by the auditor, in the prescribed form, as to whether or not such requirements as may be prescribed are satisfied in relation to the scheme accounts;
 - “auditor”, in relation to a scheme, has the meaning given by section 47 of the Pensions Act 1995 (c. 26);
 - “protected benefits quotation”, in relation to a scheme, means a quotation for one or more annuities from one or more insurers, being companies willing to accept payment in respect of the members from the trustees or managers of the scheme, which would provide in respect of each member of the scheme from the reconsideration time—

Changes to legislation: Pensions Act 2004, Section 151 is up to date with all changes known to be in force on or before 25 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (a) benefits for or in respect of the member corresponding to the compensation which would be payable to or in respect of the member in accordance with the pension compensation provisions if the Board assumed responsibility for the scheme by virtue of this section, or
- (b) benefits in accordance with the member's entitlement or accrued rights (including pension credit rights within the meaning of section 124(1) of the Pensions Act 1995 (c. 26)) under the scheme rules (other than his entitlement or rights in respect of money purchase benefits),

whichever benefits can, in the case of that member, be secured at the lower cost;

“the reconsideration time”, in relation to an application under this section, means the time immediately before the end of the period to which the audited scheme accounts mentioned in subsection (4)(b) relate.

- (9) The scheme accounts are prepared in accordance with this subsection if, subject to subsections (10) and (11), they—
 - (a) include a statement of the assets of the scheme (excluding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) as at the reconsideration time, and
 - (b) are prepared in accordance with such other requirements as may be prescribed.
- (10) Subject to subsection (11), regulations under subsection (4) of section 143 (other than regulations made by virtue of subsection (5) of that section), and guidance under subsection (6) of that section, apply to the scheme accounts as they apply for the purposes of a valuation [^{F7}under section 143(2)(b)].
- (11) Regulations may provide that, where an asset of a prescribed description has been acquired during the assessment period, the value assigned to the asset as at the reconsideration time is to be determined, for the purposes of the scheme accounts, in the prescribed manner.
- (12) For the purposes of this section—
 - (a) regulations may prescribe how the cost of securing the benefits mentioned in paragraph (a) of the definition of “protected benefits quotation” in subsection (8) is to be determined, calculated and verified, and
 - (b) subject to any provision made under paragraph (a), that cost is to be determined, calculated and verified in accordance with guidance issued by the Board.
- (13) Where the scheme is being wound up, for the purposes of determining the benefits which fall within paragraph (b) of the definition of “protected benefits quotation” in subsection (8) no account is to be taken of the winding up of the scheme.

Textual Amendments

- F1** Words in s. 151(2)(b) substituted (23.7.2012) by [Pensions Act 2011 \(c. 19\)](#), s. 38(4), [Sch. 4 para. 9\(2\)](#); [S.I. 2012/1681](#), art. 3(b)(ii)
- F2** Words in s. 151(3)(b) substituted (23.7.2012) by [Pensions Act 2011 \(c. 19\)](#), s. 38(4), [Sch. 4 para. 9\(2\)](#); [S.I. 2012/1681](#), art. 3(b)(ii)
- F3** Words in s. 151(4)(a) inserted (23.7.2012) by [Pensions Act 2011 \(c. 19\)](#), s. 38(4), [Sch. 4 para. 14](#); [S.I. 2012/1681](#), art. 3(b)(iii)

Changes to legislation: *Pensions Act 2004, Section 151 is up to date with all changes known to be in force on or before 25 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- F4** Words in s. 151(6)(a)(ii) inserted (23.7.2012) by Pensions Act 2011 (c. 19), s. 38(4), **Sch. 4 para. 9(3)(a)**; S.I. 2012/1681, art. 3(b)(ii)
- F5** Word in s. 151(6)(a)(ii) substituted (23.7.2012) by Pensions Act 2011 (c. 19), s. 38(4), **Sch. 4 para. 9(3)(b)**; S.I. 2012/1681, art. 3(b)(ii)
- F6** Words in s. 151(6)(b)(ii) inserted (23.7.2012) by Pensions Act 2011 (c. 19), s. 38(4), **Sch. 4 para. 9(3)(a)**; S.I. 2012/1681, art. 3(b)(ii)
- F7** Words in s. 151(10) substituted (23.7.2012) by Pensions Act 2011 (c. 19), s. 38(4), **Sch. 4 para. 9(4)**; S.I. 2012/1681, art. 3(b)(ii)

Modifications etc. (not altering text)

- C1** Pt. 2 modified (8.3.2005 for specified purposes, 6.4.2005 in so far as not already in force) by **The Pension Protection Fund (Partially Guaranteed Schemes) (Modification) Regulations 2005 (S.I. 2005/277)**, regs. 1(1), **2-11**
- C2** Pt. 2 modified in part (9.3.2005 for specified purposes, 1.4.2005 for specified purposes, 6.4.2005 in so far as not already in force (except ch. 4)) by **The Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations 2005 (S.I. 2005/441)**, regs. 1, **2-60, 71, 72**

Commencement Information

- I1** S. 151(1)-(3)(5)(7)(9)(a)(10)(11)(12)(b)(13) in force in so far as not already in force except paragraph (a) in the definition of “audited scheme accounts” [which is in s. 151(8)] and (12)(a) at 6.4.2005 by **S.I. 2005/275**, art. 2(7), **Sch. Pt. 7**
- I2** S. 151(4)(6)(9)(b) in force for the purpose only of conferring power to make regulations, orders or rules, as the case may be, 10.2.2005; and for all other purposes at 6.4.2005 in so far as not already in force by **S.I. 2005/275**, art. 2(3), **Sch. Pt. 3**
- I3** S. 151(8) in force in so far as it relates to paragraph (b) of the definition of “audited scheme accounts” for the purpose only of conferring power to make regulations, orders or rules, as the case may be, 10.2.2005; and for all other purposes in relation to that paragraph of that definition at 6.4.2005 for specified purposes by **S.I. 2005/275**, art. 2(3), **Sch. Pt. 3**
- I4** S. 151(8) in force in so far as not already in force except paragraph (a) in the definition of “audited scheme accounts” [which is in s. 151(8)] and (12)(a) at 6.4.2005 for specified purposes by **S.I. 2005/275**, art. 2(7), **Sch. Pt. 7**
- I5** S. 151(8) in force at 1.4.2006 in so far as not already in force by **S.I. 2006/560**, art. 2(2), **Sch. Pt. 2**

Changes to legislation:

Pensions Act 2004, Section 151 is up to date with all changes known to be in force on or before 25 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 18(5A) inserted by [2014 c. 19 s. 52\(2\)](#)
- s. 18(6) words inserted by [2014 c. 19 s. 52\(3\)](#)
- s. 18(8) words inserted by [2014 c. 19 s. 52\(3\)](#)
- s. 23(1A) inserted by [2015 c. 8 Sch. 2 para. 26\(3\)](#)
- s. 23(10A) inserted by [2015 c. 8 Sch. 2 para. 26\(5\)](#)
- s. 38(1)-(1B) substituted for s. 38(1) by [2015 c. 8 Sch. 2 para. 27](#)
- s. 38(7)(da) inserted by [2021 c. 1 s. 104\(2\)](#)
- s. 43(1)-(1B) substituted for s. 43(1) by [2015 c. 8 Sch. 2 para. 28\(2\)](#)
- s. 52(1)-(1B) substituted for s. 52(1) by [2015 c. 8 Sch. 2 para. 29](#)
- s. 80(1)(a)(iib) inserted by [2021 c. 1 s. 109\(3\)](#)
- s. 102(2)(a) words in s. 102(2) renumbered as s. 102(2)(a) by [2008 c. 30 s. 44\(5\)\(a\)](#)
- s. 102(2)(b) inserted by [2008 c. 30 s. 44\(5\)\(b\)](#)
- s. 103(1A) inserted by [2008 c. 30 s. 44\(6\)](#)
- s. 117A inserted by [2008 c. 30 Sch. 10 para. 3](#)
- s. 126(1)-(1B) substituted for s. 126(1) by [2015 c. 8 Sch. 2 para. 31](#)
- s. 188(1)(ba) inserted by [2008 c. 30 Sch. 10 para. 6](#)
- s. 189A inserted by [2008 c. 30 Sch. 10 para. 7](#)
- s. 209(9) added by [2008 c. 30 Sch. 10 para. 8](#)
- s. 291(4)(f) and word inserted by [2021 c. 1 Sch. 3 para. 19\(b\)](#)
- s. 318(3)(a)(viii)-(x) inserted by [2015 c. 8 Sch. 2 para. 38\(3\)\(a\)](#)
- s. 318(3)(b)(vi)-(viii) inserted by [2015 c. 8 Sch. 2 para. 38\(3\)\(b\)](#)
- Sch. 4 para. 7(5)(b) inserted by [2008 c. 30 s. 44\(8\)\(b\)](#)
- Sch. 4 para. 13(3) inserted by [2008 c. 30 s. 44\(9\)\(b\)](#)
- Sch. 4 para. 7(5)(a) words in Sch. 4 para. 7(5) renumbered as Sch. 4 para. 7(5)(a) by [2008 c. 30 s. 44\(8\)\(a\)](#)
- Sch. 7 para. 21(2)(c)-(cc) substituted for Sch. 7 para. 21(2)(b)(c) by [2008 c. 30 Sch. 8 para. 11](#) (This amendment not applied to legislation.gov.uk. Sch. 8 para. 10 (3.1.2012) omitted without ever being in force by virtue of 2011 c. 19, Sch. 4 para. 20; S.I. 2011/3034 art. 3(i)(iv))