
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends paragraph (e) of section 121(4) of the Pensions Act 2004 (c. 35) (“the Act”) as a consequence of the Insolvent Partnerships (Amendment) Order 2005 (S.I.2005/1516) (“the Partnerships Order”).

Section 121(4)(e) dealt with an administration order made under Part 2 of the Insolvency Act 1986 (c. 45) (“the 1986 Act”) in relation to an insolvent partnership. This was treated as an insolvency event for the purposes of Part 2 of the Act. Part 2 of the 1986 Act was amended by the Enterprise Act 2002 (c. 40) which inserted Schedule B1 into the 1986 Act. Schedule B1 was applied to insolvent partnerships by the Partnerships Order with effect from 1st July 2005. As a result, paragraph (e) of section 121(4) of the Act is substituted to reflect that an insolvency event can occur where a partnership “enters into administration” (within the meaning of paragraph 1(2)(b) of Schedule B1).

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business.