Department for Work & Pensions

The Pension Protection Fund and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2013

Public consultation on Draft Regulations

December 2012

Contents

Introduction

The consultation seeks views on the enclosed draft of the Pension Protection Fund and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2013 which would make a number of technical and drafting changes to legislation governing the Pension Protection Fund as well as:

- make changes to the time limit for making an application for a review decision;
- allow all categories of pension credit members to have the option of taking their pension compensation early;
- allow members not in receipt of pension compensation to postpone taking their compensation;
- clarify the reference to the market rate in calculating the value of protected liabilities;
- clarify how assets are valued when amounts are owed to a scheme;
- allow the PPF in certain circumstances to discharge money purchase benefits to members aged 60 and over where those benefits are worth £2,000 or less; and
- make consequential changes to existing secondary legislation to reflect the introduction of funding determinations without valuations and requests for reconsideration without a protected benefits quotation.

The regulations also clarify the Pension Ombudsman's jurisdiction.

The intention is that the regulations will come into force on 1 April 2013.

This consultation also seeks views on a draft of a minor consequential amendment to the Pension Protection Fund (Reference of Reviewable Matters to the PPF Ombudsman) Regulations 2005 which would correct a procedural error in existing legislation at the earliest opportunity.

This document is available on the Department's website at:
http://www.dwp.gov.uk/consultations/2012/

About this consultation

Who this consultation is aimed at

The consultation is primarily aimed at employers, pension scheme administrators, trustees and managers. Comments are also welcomed from the wider public. A list of those being directly consulted is attached in **Annex A**.

Purpose of the consultation

The purpose of this consultation is to obtain comments on the proposed changes contained in the draft Regulations. .

Scope of consultation

This consultation applies to England, Wales and Scotland. Corresponding provisions are being made in Northern Ireland.

Duration of the consultation

The consultation period begins on 19 December 2012 and runs until 29 January 2013. Any replies received after that date may not be taken into account.

How to respond to this consultation

Please send your consultation responses to:

Alison Humberstone
Department for Work and Pensions
1st Floor, Caxton House
Tothill Street
London
SW1H 9NA
Phone 020 7449 5132
Email CAXTON.PPF-RESPONSES@DWP.GSI.GOV.UK

Please ensure your response reaches us by 29 January 2013.

When responding, please state whether you are doing so as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents, and where applicable, how the views of members were assembled. We will acknowledge your response.

Other ways of getting involved

We have sent this consultation document to a number of people and organisations who we are aware have an interest in Pension Protection Fund matters and legislative changes. Please do share this document with, or tell us about, anyone you think will want to be involved in this consultation.

Summary of responses

A summary of responses will be published following the consultation. The Government will aim to publish this summary within three months of the consultation closing. The summary of responses will be available on the Department's website: http://www.dwp.gov.uk/consultations/2012/ and paper copies will be available on request.

Queries about the content of this document

Please direct any queries about the subject matter of this consultation to:

Alison Humberstone
Department for Work and Pensions
1st Floor, Caxton House
Tothill Street
London
SW1H 9NA
Phone 020 7449 5132
Email CAXTON.PPF-RESPONSES@DWP.GSI.GOV.UK

How we consult

Freedom of information

The information you send us may need to be passed to colleagues within the Department for Work and Pensions, published in a summary of responses received and referred to in the published consultation report.

All information contained in your response, including personal information, may be subject to publication or disclosure if requested under the Freedom of Information Act 2000. By providing personal information for the purposes of the public consultation exercise, it is understood that you consent to its disclosure and publication. If this is not the case, you should limit any personal information provided, or remove it completely. If you want the information in your response to the consultation to be kept confidential, you should explain why as part of your response, although we cannot guarantee to do this.

To find out more about the general principles of Freedom of Information and how it is applied within DWP, please contact:

Central Freedom of Information Team
4th Floor, Caxton House
Tothill Street
London SW1H 9NA

Freedom-of-information-request@dwp.gsi.gov.uk

The Central FoI team cannot advise on specific consultation exercises, only on Freedom of Information issues. More information about the Freedom of Information Act can be found at www.dwp.gov.uk/freedom-of-information

The consultation principles

The consultation is being conducted in line with the Key Consultation Principles. More information can be found on these at:
http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf

The Key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before;
- departments will need to give more thought to how they engage with and consult with those who are affected;
- consultation should be ‘digital by default’, but other forms should be used where these are needed to reach the groups affected by a policy; and
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

Feedback on the consultation process

We value your feedback on how well we consult. If you have any comments on the process of this consultation (as opposed to the issues raised) please contact our Consultation Coordinator:

Elias Koufou
DWP Consultation Coordinator
2nd Floor, Caxton House
Tothill Street
London

SW1H 9NA

Phone 020 7449 7439

caxtonhouse.legislation@dwp.gsi.gov.uk

In particular, please tell us if you feel that the consultation does not satisfy the consultation principles. Please also make any suggestions as to how the process of consultation could be improved further.

If you have any requirements that we need to meet to enable you to comment, please let us know.

We will publish the responses to the consultation in a report on the consultations section of our website www.dwp.gov.uk/consultations. The report will summarise the responses and the action that we will take as a result of them.

Background

1. The Pension Protection Fund ("PPF") is a statutory fund administered by the Board of the Pension Protection Fund ("the Board"). It protects the pension benefits of members of occupational defined benefit schemes and the defined benefit elements of hybrid schemes by paying compensation in place of members' pensions.
2. A scheme enters the Pension Protection Fund if the sponsoring employer has an insolvency event on or after 6 April 2005, and if there are insufficient assets in the pension scheme to cover the level of compensation the Pension Protection Fund would pay to members if it took over the scheme. When a scheme transfers, the Pension Protection Fund takes over its assets and liabilities. The Pension Protection Fund pays pension compensation to scheme members under its rules.
3. These Regulations amend regulations already in place on the Pension Protection Fund. They detail how measures introduced in the Pensions Act 2011 will enable members to postpone taking their pension compensation from the Pension Protection Fund, and allow those members who are not currently able to, to take their pension compensation early should they wish to do so and they meet the criteria.
4. The Regulations also allow members aged 60 and over who have undischarged money purchase benefits worth up to £2,000 after their scheme transfers to the Pension Protection Fund, to take their benefits as a lump sum.
5. They also change the time within which an application for a review of a determination or a valuation decision made by the Board, under sections 143(2)(a) or 144(2)(a) of the Pensions Act 2004, must be made, from 2 months to 28 days.
6. The Regulations make amendments to the Pension Protection Fund Valuation Regulations. These changes are to (a) the market rate calculation, (b) reflect the actual amounts recouped under contribution notices etc. and (c) extend new valuations and determination provisions to reconsideration applications and closed schemes.
7. The Regulations make changes to reflect that the provision made in the Pensions Act 2011 to permit the Pension Protection Fund to determine the funding position of a scheme without obtaining an actuarial valuation will not apply in the case of a partially guaranteed scheme.
8. A reference to scheme valuations in the Employer Debt Regulations is amended to include funding determinations
9. The Regulations also clarify the Pension Ombudsman's jurisdiction.

Additional matter – amendment to the Pension Protection Fund (Reference of Reviewable Matters to the PPF Ombudsman) Regulations 2005

10. We are also consulting on the draft regulations set out below which will make minor consequential changes to the Pension Protection Fund (Reference of Reviewable Matters to the PPF Ombudsman) Regulations 2005. These Regulations provide for a reviewable matter to be referred to, and investigated and determined by, the Ombudsman for the Board of the Pension Protection Fund following a reconsideration decision given by the Reconsideration Committee of the Board of the Pension Protection Fund. The amendments to these Regulations will specify the time limits for an applicant to refer an issue about a funding determination (a new 'reviewable matter') to the Pension Protection Fund Ombudsman.

11. The amendment here was made in the Pension Protection Fund (Miscellaneous Amendments) Regulations 2012 using an incorrect procedural method. To put this right we intend to make these regulations using the correct procedure at the earliest opportunity. This will involve putting the draft regulations before both Houses of Parliament for consideration under the affirmative resolution procedure, before they come into force.

Amendment of the Pension Protection Fund (Reference of Reviewable Matters to the PPF Ombudsman) Regulations 2005

1.In regulation 3(2) of the Pension Protection Fund (Reference of Reviewable Matters to the PPF Ombudsman) Regulations 2005 (time for making a reference)—

a.after sub-paragraph (e), insert–

"(ea) the issue of–

(i) a notice under section 143(2A) of the Act (whether Board will make a determination or obtain an actuarial valuation); or

(ii) (a determination under section 143(2)(a) of the Act (whether condition in section 127(2)(a) or 128(2)(a) satisfied);";

b.in sub-paragraph (l), after "(closed schemes)", insert—

"; or

(m) the issue of–

(i) a notice under section 158(3A) of the Act (whether Board will make a determination or obtain an actuarial valuation); or

(ii) a determination under section 158(3)(a) of the Act (whether condition in section 158(1) satisfied).”.

Commentary on the draft The Pension Protection Fund and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2013

12. The following summary explains the purpose of each of the provisions.

Regulation 1 – Citation and commencement

13. This is a general regulation which gives the title of the Regulations and specifies the date on which it is proposed that they will come into force.

Regulation 2 – Amendment of the Pension Protection Fund (Review and Reconsideration of Reviewable Matters) Regulations 2005

14. Regulation 2 amends regulation 3(1)(a) of these Regulations. It reduces the time within which an eligible person can make an application for an internal review of a decision made by the Board in respect of a determination or valuation (made respectively under section 143(2)(a) or 144(2)(a) of the Pensions Act 2004), from 2 months to 28 days. This amendment harmonises the time period for requesting a review with most other PPF review periods.

15. This change is considered appropriate because it will speed up (by 1 month) the time it takes to transfer a scheme into the PPF and help to save scheme costs.

16. A scheme can not transfer into the PPF until a ‘binding’ valuation decision has been made by the Board, and a valuation can not become binding until any application for a review of this decision has been finally disposed of. Regulation 3(1)(a) sets out the amount of time within which an application for a review must be made in respect of this decision, which is currently 2 months.

17. The PPF advise that very few reviews are correctly sought under regulation 3(1)(a) of the Review Regulations. The change to the Review Regulations will enable members to continue to request a review of these decisions whilst ensuring that, for the majority of schemes and their members, the process of transfer to the PPF is speeded up and costs reduced.

Regulation 3 – Amendment of the Pension Protection Fund (Compensation) Regulations 2005

18. Regulation 3 makes various changes to the PPF Compensation Regulations relating to early compensation, postponed compensation, surviving dependants

and the commutation limit of trivial commutation lump sums. There are also some minor drafting and technical amendments.

19. The two key changes in this regulation are to allow those members who do not presently have the option of taking their pension compensation early to do so, and to allow members to postpone taking their pension compensation. These changes give members more choice about when to take their pension compensation to meet their individual needs.

Taking pension compensation early

20. At present, all types of PPF members, except for some pension credit members (these are beneficiaries of pension sharing orders), can take their pension compensation early, subject to meeting certain criteria.

21. Provisions in regulation 3 will allow all pension credit members to access their pension compensation early.

22. Members who might be considered to be "ordinary" members of the PPF can take their compensation before they reach their normal scheme pension age, as long as they satisfy certain criteria (e.g. being aged 55 in most cases). Compensation credit members (these are beneficiaries of compensation sharing orders or qualifying agreement provisions) can take their pension compensation before reaching their normal benefit age. Also, outside the PPF, "ordinary" members of schemes and pension credit members of schemes are generally able to take their pensions early. However, legislation currently prevents some pension credit members (these are beneficiaries of pension sharing orders) from accessing their pension compensation early.

23. This change is being made to give members more options about when to take their pension compensation and to ensure that the treatment of members is consistent. This change will give all pension credit members the same choice on taking their compensation early that other members have.

Taking pension compensation late

24. The Pensions Act 2011 made changes to the Pensions Act 2004 and Pensions Act 2008, to provide members with the option of postponing the payment of their pension compensation past their normal pension age.

25. Regulation 3(4) sets out the circumstances and conditions which need to be met to postpone compensation.

26. As a summary, the members' circumstances can be any of:

- the person is under normal pension age or normal benefit age at the assessment date,
- they are over normal pension age, an active member and not receiving their pension,
- they have already postponed their pension, or had it postponed for them, and it is still postponed at assessment date, or

- they are a beneficiaree of a pension sharing order and not receiving compensation.

27. Broadly, the conditions that all have to be met are:
    - both the regular compensation and the compensation lump sum have to be postponed,
    - the person is not in receipt of the relevant pension or regular compensation, nor have they received a compensation lump sum,
    - the person makes a written application to the Board 2 months before their normal pension age (npa) if they were under npa at assessment date, to the trustees if they attain npa during the assessment period or to the Board in all other cases, and
    - the application includes their name, address, date of birth, National Insurance number, scheme name and when compensation should start.
28. On the third condition listed above, it is envisaged that where a member is yet to attain normal pension age and wishes to postpone taking their compensation they contact the PPF 2 months before they reach that age and let the PPF know their intentions. Where a member reaches their normal pension age during the assessment period they contact their scheme trustees and let them know their intentions. In all other cases, including where the member can not meet the circumstances above, the member should contact the PPF Board and let them know that they wish to postpone. There are no time limits set for this, though it would be advisable for the member to give the PPF adequate notice.
29. The Regulations will also allow a member to postpone their pension compensation more than once providing they have met the conditions. For instance, they could postpone taking their compensation until age 70, but later decide to postpone taking their compensation until age 72. For both postponements they need to make a written application to the PPF Board with the necessary information.
30. Where a member wishes to change when they take their postponed compensation they should inform the PPF of their revised date 2 months before the postponed compensation was scheduled to start being paid. The member can delay taking their postponed compensation or can take it earlier than originally planned. The member's new application should include the same type of information that was required for their original application.
31. The Regulations will require the Board to provide members with information about their options and with a forecast of their compensation 6 months before postponement ceases.

Question

32. The provisions on postponement aim to give members who have more than one "tranche" of benefits due for payment at different times within a single scheme, the ability to postpone them so that they fall due at the same time. A person may have

different “tranches” of benefits as a result of the scheme changing the normal pension age during the time a member was accruing benefits. Most typically this could result, for example, in the member having a “tranche” of benefits with the pension age of 60 and another “tranche” of benefits with the pension age of 65. Under the proposed provisions we want the member to have the option of postponing some or all of the “tranches” they have in the scheme.

33. This is the situation the Board mostly commonly face. Typically members with more than one “tranche” of benefits under a scheme want to amend the time they take these “tranches” so they can take them all in one go. For example, if a member had “tranches” with pension ages of 60, 62 and 65; they might decide to retire at 66; and therefore would like to postpone all the “tranches” until this age.

34. We would be grateful if respondents would consider and comment in particular on whether the draft Regulations adequately provide for this situation.

Surviving dependents

35. Regulation 3(5) amends regulation 4(3) of the PPF Compensation Regulations so that other evidence, apart from a birth certificate, can be produced to confirm that a child is the natural child of the deceased member, as a birth certificate is not always available. It also provides that a child of the member who not yet born at the date of the member’s death and who would have been a dependent of the member had he/she been born before the member’s death, is a surviving dependent, provided that evidence is produced to the satisfaction of the Board to this effect. The changes here aim to clarify the position of such children.

Period of payment

36. Regulation 3(6)(b) amends regulation 7(4)(a) of the PPF Compensation Regulations so that payments can be made to a surviving dependent who is attending a qualifying course until he/she leaves the course or attains the age of 23, whichever is the **earlier**. Currently, Regulation 7(4)(a) provides for whichever is the **later**, which means that payments can be made up to the age of 23 irrespective of whether the dependent is attending a qualifying course, which is contrary to the policy intention.

Commutation of more than 25 per cent

37. Regulation 3(9) amends regulation 20 of the PPF Compensation Regulations, which deals with circumstances in which the portion of pension compensation to be commuted may exceed 25 per cent.

38. The prescribed circumstances for the commutation of periodic compensation are that the portion to be commuted is a PPF trivial commutation lump sum. A payment is a PPF trivial commutation lump sum if:

- either no trivial commutation lump sum or PPF trivial commutation lump sum has been paid or, if it was paid, it was before the end of the commutation period;

- on the nominated date, the value of the member's entitlement to pension compensation and pension rights do not exceed the commutation limit;
- it is paid when all or part of the member's standard lifetime allowance is available; and
- it extinguishes the member's entitlement to pension compensation.

39. Currently, regulation 20(4) of the PPF Compensation Regulations sets out that the commutation limit is 1% of the standard lifetime allowance on the nominated date.
40. Under the Finance Act 2004 the standard lifetime allowance for the tax year 2012-13 is £1,500,000, and the Treasury can set out in an order a new lifetime allowance.
41. This means that, combined, the legislation currently provides that the commutation limit is £15,000 in relation to the PPF. However, Schedule 29 of the Finance Act 2004 sets out the trivial commutation lump sum, which is £18,000.
42. Therefore, at present there is a discrepancy between the limit for schemes and for the PPF. It is our view that the amount should be the same, which will mean consistent treatment of members in ongoing schemes and of members whose schemes have transferred to the PPF.
43. Therefore, through this change, regulation 20 of the PPF Compensation Regulations will be amended to make the trivial commutation lump limit the same as that set out in regulation 7(4) of Schedule 29 to the Finance Act. The limit is currently £18,000, and can be changed by order made under that Act. The amendment is intended to provide for any future change to the limit in the Finance Act, to automatically flow through to the PPF Compensation Regulations, so that members of schemes which have transferred to the PPF, have the same entitlements as members of schemes outside the PPF. To effect this, a definition of "commutation limit" which refers to the Finance Act, is inserted by regulation 3(2) into regulation 1(2) of the PPF Compensation Regulations.

Regulation 4 – Amendment of the Pension Protection Fund (Valuation) Regulations 2005

44. The Valuation Regulations set out the detail of how the assets and liabilities of eligible schemes are to be assessed both for regular scheme valuations and as part of the assessment process for entry into the PPF.
45. This regulation amends the reference to the market rate in calculating the value of protected liabilities, clarifies the existing provision of the assets to be taken into account when a scheme is valued for entry purpose and makes provision for the valuation of schemes that reapply for entry to the PPF.
46. Regulation 4(2) inserts two new definitions. First, for a valuation under section 152(9) of the Pensions Act 2004, which allows the Board to obtain its own valuation of the assets of a scheme when that scheme applies to be reconsidered

for entry to the PPF. Second, for a determination under section 158(3)(b), that allows the Board to obtain an actuarial valuation (within in the meaning of section 143) when considering an application from a closed scheme.

47. Regulation 4(3) amends regulation 6(1) of the Valuation Regulations to make it clear that the cost of the annuity should be at the estimated best value rate that is available on the market in the circumstances at the relevant time, which more accurately reflects the practicalities of pricing the annuity market.

48. Regulation 4(4) clarifies the legislation by allowing for assets of a scheme (in the form of a contribution notice, financial support direction or restoration order) to be valued to reflect the actual and likely proportion (if any) of payments made under them to a scheme, rather than the amount due.

49. Regulation 4(5) extends regulation 7A (which specifies which provisions in the Valuation Regulations apply to applications for reconsideration, and by closed schemes) to all valuations under section 152(9) and section 158 of the Pensions Act 2004.

Regulation 5 – Amendment of the Pension Protection Fund (General and Miscellaneous Amendments) Regulations 2006

50. This regulation amends the PPF (General and Miscellaneous Amendments) Regulations 2006 to allow members aged 60 and over who have undischarged money purchase pots worth £2,000 or less to be paid these as a lump sum. These payments will be “Pension Protection Fund money purchase lump sums”.

51. The aim of the changes is to relieve, to a limited extent, the problems members and the PPF experience with discharging low value money purchase benefits. This should mean that members get more benefit from having these low value money purchase pots than they do at present. They will be able to take the funds in a lump sum payment, provided that the criteria are satisfied, to use as they wish.

52. The PPF is designed to pay pension compensation only for the defined benefit elements of scheme pensions. The PPF can not transfer and can not pay money purchase benefits in compensation. It is required to discharge money purchase benefits that are inherited when a scheme is transferred to the PPF.

53. When the value of money purchase benefits are small it may not be possible to find a provider who will accept them. Also, providers of buy-out policies normally have a minimum size of transfer value they will accept without charging a fee, which may significantly eat into a low value money purchase pot.

54. This causes a problem for trustees of schemes whilst those schemes are in a PPF assessment period and a problem for the Board once the scheme transfers to the PPF.

55. Whilst trivial commutation provides an option to discharge money purchase benefits by payment of a lump sum, in practice the restrictive criteria for the payment of trivial commutation lump sums means it is of limited use here.

56. The changes in this regulation will allow the Board to commute low value (£2,000 and below) money purchase benefits for members aged 60 and over in certain circumstances, and pay members a lump sum which extinguishes their money purchase entitlement on or shortly after the transfer of the scheme. This authorised lump sum will have the same tax efficient status as trivial commutation and winding-up lump sums.

57. These changes would come under provisions in the Finance Act 2004, and therefore HM Revenue and Customs are amending relevant legislation to allow the PPF to pay a "PPF money purchase discharge lump sum" as an authorised payment to members. The limit of £2,000 is the same applicable in similar circumstances to occupation schemes and some personal pensions.

Regulation 6 – Amendment of the Pension Protection Fund (Pension Compensation Sharing and Attachment on Divorce etc) Regulations 2011

Taking pension compensation late

58. The Pensions Act 2011 made changes to the Pensions Act 2004 and Pensions Act 2008, so that people may postpone payment of their pension compensation. Regulation 6 applies to people who are the beneficiaries of compensation sharing orders and attachment orders in proceedings relating to divorce, dissolution of civil partnership or in cases of annulment. It is similar to the provisions in regulation 3 which apply to other types of PPF members. It will give these members greater choice about when to take their pension compensation to meet their individual needs.

59. Where a member is entitled to pension compensation, this can be shared on divorce, dissolution of a civil partnership or annulment of a marriage or a civil partnership. The beneficiaries of compensation sharing orders are those who receive a share of pension compensation as a result.

60. The regulations insert into the Pension Protection Fund (Pension Compensation Sharing and Attachment on Divorce etc) Regulations 2011 the circumstances when pension compensation can be postponed, and the conditions that need to be met.

61. As a summary, to have the option of postponing, the beneficiaree of a compensation sharing order has to be either:

    (a) below pension compensation age on the day that the relevant order or provision takes effect, or

(b) have attained pension compensation age but not be in receipt of pension compensation.

62. Broadly, the conditions that have to be met are:

- the person is not in receipt of the pension compensation they are entitled to under the sharing order or attachment order,
- the person makes a written application to the Board 2 months before their normal pension compensation age if they were under this age when the order or provision took effect, or to the Board in all other cases, and
- the application includes their name, address, date of birth, National Insurance number, scheme name and when compensation should start.

63. The regulations will allow a person to postpone their pension compensation more than once and to change the date postponement ceases to an earlier date.

64. The Regulations require the Board to provide members with information about their options and with a forecast of their compensation 6 months before they have elected to take their compensation.

Question

65. The provisions on postponement aim to provide for members who have an entitlement to more than one “tranche” of benefits from a single scheme. This could be due to the scheme changing the normal pension age over the years. We want to make sure that the member has the ability to postpone all of the “tranches” they have an entitlement to from the scheme.

66. We would be grateful if respondents would consider and comment in particular on whether the Regulations adequately provide for this situation.

Regulation 7 – Amendment of the Personal and Occupational Pension Scheme (Pensions Ombudsman) Regulations 2006

67. Regulation 7 updates legislative references in regulation 4(2) of these Regulations to take account of changes made by the Pensions Act 2004.

Regulation 8 – Amendment of the Pension Protection Fund (Partially Guaranteed Schemes) (Modification) Regulations 2005

68. The Pension Protection Fund (Partially Guaranteed Schemes) (Modification) Regulations modify how the provisions in the Pensions Act 2004 governing the PPF apply in the case of a partially guaranteed scheme. That is a scheme with a

guarantee covering only certain members, benefits or any particular part of a scheme known as the “secured” part of the scheme and a part without the guarantee the “unsecured part”.

69. The Pensions Act 2011 amended the Pensions Act 2004 to permit the Board to determine the funding position of a scheme without obtaining an actuarial valuation if it is able to do so. The complex way in which a partially guaranteed scheme is funded makes this new provision unsuitable for such schemes.

70. This regulation amends the PPF (Partially Guaranteed Schemes)(Modification) Regulations to modify the Pensions Act so that the Board will still be required to obtain an actuarial valuation in the case of a partially guaranteed scheme It also amends these regulations to reflect the changes to references to valuations made by the Pensions Act 2011.

Regulation 9 – Amendment to the Occupational Pension Schemes (Employer Debt) Regulations 2005

71. Paragraph 4(6) of Schedule 1A to the Occupational Pension Schemes (Employer Debt) Regulations 2005 excludes provision for a section 143 valuation made by the Pension Protection Fund (Valuation) Regulations 2005 from matters to be considered by an actuary when calculating the debt when an employer wishes to leave a pension scheme.

72. This regulation amends Paragraph 4(6) of Schedule 1A to the Occupational Pension Schemes (Employer Debt) Regulations 2005 to exclude provision under the Valuation Regulations for a section 143 determination as introduced in the Pensions Act 2011 as this determination is not relevant for employer debt calculation purposes.

Impact Assessment

73. An assessment of the impact of the legislative changes as a result of being able to postpone taking pension compensation on the private, voluntary and public sectors was included as part of the Impact Assessment that accompanied the Pensions Bill 2011. Copies of that assessment are available in the libraries of both Houses of Parliament and may also be obtained from the Better Regulation Unit of the Department for Work and Pensions, 6B Caxton House, Tothill Street, London SW1H 9NA or from the DWP website: http://www.dwp.gov.uk/policy/pensions-reform/pensions-bill-2011/

74. A full impact assessment has not been produced for the other provisions in these Regulations as they have no impact on the private sector or civil society organisations.

Annex A – list of those consulted

Aon Consulting

Association of British Insurers

Association of Consulting Actuaries

Association of Corporate Trustees

Association of Independent Financial Advisers

Association of Pension Lawyers

Association of Pensioner Trustees

Auditing Practices Board

Better Regulation Executive

British Chambers of Commerce

BT

Confederation of British Industry

Consumers Association

Council on Tribunals

Department for Social Development (Northern Ireland)

Engineers Employers Federation

Faculty and Institute of Actuaries

Federation of Small Businesses

Financial Ombudsman Service

Financial Services Authority

Gissings & Co

HM Treasury (MOCOP)

HM Revenue and Customs

Industry Wide Pension Schemes Group

Insolvency Service

Institute of Chartered Accountants in England and Wales

Institute of Chartered Accountants in Scotland

Institute of Directors

Investment Managers' Association

KPMG

Law Society of England and Wales

Law Society of Scotland

Legal & General

National Association of Pension Funds

National Audit Office

National Consumer Council

Occupational Pension Schemes Joint Working Group

Occupational Pensioners’ Alliance

Occupational Pensions Defence Union

Office of Fair Trading

Pension Protection Fund

Pension Protection Fund Ombudsman

Pensions Advisory Service

Pensions Management Institute

Pensions Ombudsman

Pensions Research Accountants’ Group

Scottish Executive

Small Business Service

Society of Pension Consultants

The Pensions Regulator

Trades Union Congress

Welsh Assembly

William Mercer

Annex B – the draft The Pension Protection Fund and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2013

The draft Regulations can be viewed at:

http://dwp.gov.uk/docs/draft-ppf-misc-regs-2013.pdf