

**2011 No. 554**

**PENSIONS**

**The Pension Protection Fund (Revaluation Amendments)  
Regulations 2011**

<i>Made</i>	- - - -	<i>28th February 2011</i>
<i>Laid before Parliament</i>		<i>3rd March 2011</i>
<i>Coming into force</i>	- -	<i>31st March 2011</i>

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 315(2), (4) and (5) and 318(1) of, and paragraphs 12(4) and 17(4) of Schedule 7 to, the Pensions Act 2004(a).

The Secretary of State has consulted such persons as the Secretary of State considers appropriate in accordance with section 317(1) of the Pensions Act 2004.

**Citation and commencement**

1. These Regulations may be cited as the Pension Protection Fund (Revaluation Amendments) Regulations 2011 and shall come into force on 31st March 2011.

**Amendment of the Pension Protection Fund (Compensation) Regulations 2005**

2. The Pension Protection Fund (Compensation) Regulations 2005(b) are amended in accordance with regulations 3 to 6.

**Insertion of regulation 12A**

3. In Part 5, before regulation 13 (manner of determining the revaluation percentage in the case of active members who have not attained normal pension age at assessment date) insert—

“**12A.** In this Part, where the Secretary of State makes a decision about the manner in which the general level of prices in Great Britain is to be determined, the Secretary of State shall publish that decision.”.

**Amendment of regulation 13**

4. In regulation 13—

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(a) 2004 c.35. Section 318(1) is cited because of the meanings given to “prescribed” and “regulations”. Schedule 7 is modified by S.I. 2005/670 in relation to schemes which do not provide for any revaluation. Paragraphs 5(4) and 6(4) of Schedule 2 to the Pensions Act 2008 substituted new paragraphs for paragraphs 12(4) and 17(4) of Schedule 7.

(b) S.I. 2005/670; relevant amending instruments are 2005/2113; 2006/580; 2009/451 and 2009/809. Regulations 13 and 15 are modified by regulation 4 of S.I. 2005/706.

- (a) at the beginning insert “Subject to regulation 15B,”; and
- (b) in each place in which it occurs, for “retail prices index” substitute “general level of prices in Great Britain determined in such manner as the Secretary of State may from time to time decide”.

**Amendment of regulation 15**

5. In regulation 15 (manner of determining the higher revaluation percentage in the case of deferred members who have not attained normal pension age at assessment date)—

- (a) at the beginning insert “Subject to regulation 15B,”; and
- (b) in each place in which it occurs, for “retail prices index” substitute “general level of prices in Great Britain determined in such manner as the Secretary of State may from time to time decide”.

**Insertion of regulation 15B**

6. After regulation 15A (modification of Schedule 7 for schemes with no revaluation) insert—

**“Determination of the revaluation percentage in respect of certain periods**

**15B.**—(1) This regulation applies where any revaluation period referred to in regulations 13 and 15 includes a period which falls before 31st March 2011.

(2) Where this regulation applies, revaluation in respect of the period which falls before 31st March 2011 shall be determined in accordance with regulations 13 and 15 as modified by paragraph (4).

(3) Where this regulation applies, revaluation in respect of the period which begins on 31st March 2011 shall be determined in accordance with regulations 13 and 15 as modified by paragraph (5).

(4) For the purposes of paragraph (2)—

(a) regulation 13 is modified as follows—

- (i) omit the words “Subject to regulation 15B,”; and
- (ii) for paragraphs (a) and (b) substitute—
  - “(a) A is the level of the retail prices index for January 2011; and
  - (b) B is the level of the retail prices index for the month which falls two months before the month during which the assessment date falls.”; and

(b) regulation 15 is modified as follows—

- (i) omit the words “Subject to regulation 15B,”; and
- (ii) for paragraphs (a) and (b) substitute—
  - “(a) A is the level of the retail prices index for January 2011; and
  - (b) B is the level of the retail prices index for the month which falls two months before the month during which the assessment date falls.”.

(5) For the purposes of paragraph (3)—

(a) regulation 13 is modified as follows—

- (i) omit the words “Subject to regulation 15B,”; and
- (ii) for paragraph (b) substitute—
  - “(b) B is the level of the general level of prices in Great Britain for January 2011 determined in such manner as the Secretary of State may from time to time decide.”; and

(b) regulation 15 is modified as follows—

- (i) omit the words “Subject to regulation 15B,”; and

(ii) for paragraph (b) substitute—

“(b) B is the level of the general level of prices in Great Britain for January 2011 determined in such manner as the Secretary of State may from time to time decide.”.”.

Signed by authority of the Secretary of State for Work and Pensions.

28th February 2011

*Steve Webb*  
Minister of State  
Department for Work and Pensions

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Pension Protection Fund (Compensation) Regulations 2005 to provide for revaluation in relation to Pension Protection Fund compensation in respect of periods after 30th March 2011 to be determined in accordance with any rise in the general level of prices in Great Britain.

The general level of prices in Great Britain is to be determined in such manner as the Secretary of State may from time to time decide. The Secretary of State is required to publish any such decision.

Prior to these amendments, revaluation was calculated in accordance with the retail prices index. The retail prices index remains the means by which revaluation in respect of periods falling before 31st March 2011 will be calculated.

An assessment of the impact of the changes made to the pension compensation revaluation rules by this instrument was included as part of the Impact Assessment that accompanied the Pensions Bill, which was laid before Parliament on 12 January 2011. This is available from the Department of Work and Pensions website: <http://www.dwp.gov.uk/docs/pensions-bill-2011-ia-annexc.pdf>.

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