

2006 No. 343

PENSIONS

The Pensions Act 2004 (PPF Payments and FAS Payments) (Consequential Provisions) Order 2006

Made - - - - 13th February 2006

Coming into force in accordance with article 1(1)

This Order is made in exercise of the powers conferred by sections 315(5) and 319(2)(a) of the Pensions Act 2004(a).

A draft of this instrument has been approved by a resolution of each House of Parliament pursuant to section 316(2)(q) of that Act.

Accordingly the Secretary of State for Work and Pensions makes the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Pensions Act 2004 (PPF Payments and FAS Payments) (Consequential Provisions) Order 2006 and shall come into force on the day after the day on which it is made.

(2) In this Order—

“FAS payments” means payments made under the Financial Assistance Scheme Regulations 2005(b);

“PPF payments” means any payments made in relation to a person—

(a) under the pension compensation provisions as specified in section 162(2) of the Pensions Act 2004(c) or Article 146(2) of the Pensions (Northern Ireland) Order 2005(d) (the pension compensation provisions); or

(b) under section 166 of the Pensions Act 2004 or Article 150 of the Pensions (Northern Ireland) Order 2005 (duty to pay scheme benefits unpaid at assessment date etc.).

Amendments of Acts

2. The Schedule to this Order (which contains amendments of provisions of certain Acts relating to pensions and benefit payments and extends those provisions to take into account PPF payments and FAS payments) shall have effect.

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

Stephen Timms
Minister of State,

Department for Work and Pensions

13th February 2006

(a) 2004 c. 35.

(b) S.I. 2005/1986, amended by S.I. 2005/3256.

(c) Sections 162 and 166 are modified by S.I. 2005/441 as amended by S.I. 2005/993 and 2113.

(d) S.I. 2005/255 (N.I. 1). Articles 146 and 150 are modified by S.R. 2005 No. 91 as amended by S.R. 2005 Nos. 194 and 357.

[The Schedule makes various amendments to the S.S. Conts. & Bens. Act 1992, the Jobseekers Act 1995 and the State Pension Credit Act 2002.]

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Social Security Contributions and Benefits Act 1992 (c. 4) (“the Contributions and Benefits Act”), the Jobseekers Act 1995 (c. 18) (“the Jobseekers Act”) and the State Pension Credit Act 2002 (c. 16) (“the Pension Credit Act”) so as to allow adult dependency increases, incapacity benefit and state pension credit to take into account Pension Protection Fund periodic payments (“periodic PPF payments”), and for contribution-based jobseeker’s allowance to take into account PPF payments and Financial Assistance Scheme payments (“FAS payments”), in a similar way to that in which pensions and benefit payments are treated.

Article 2 introduces the Schedule containing the amendments.

Part 1 of the Schedule amends sections 30DD (incapacity benefit: reduction for pension payments) and 89 (earnings to include occupational and personal pensions for purposes of provisions relating to increases of benefits in respect of adult dependants) of the Contributions and Benefits Act to provide that periodic PPF payments are treated in the same manner as occupational and personal pensions for the purposes of determining whether incapacity benefit and increases of benefit for adult dependants are payable. It also introduces a definition of PPF periodic payments into that Act.

Part 2 of the Schedule amends the Jobseekers Act to specify that, for the purposes of contribution-based jobseeker’s allowance, PPF payments and FAS payments shall be taken into account when calculating the rate of contribution-based jobseeker’s allowance that is to be paid to a claimant. It also introduces definitions of PPF payments and FAS payments into that Act.

Part 3 of the Schedule amends the Pension Credit Act to include periodic PPF payments within the definition of “retirement provision” in section 7(6) (fixing of claimant’s retirement provision for assessed income period) to provide that periodic PPF payments are treated in the same manner as occupational and personal pensions for the purposes of the assessed income period. It also introduces a definition of periodic PPF payments into that Act.

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