



Statutory Document No. 150/06

THE PENSION SCHEMES ACT 1995

THE PENSIONS ACT 1995 (APPLICATION) (AMENDMENT) (No. 2) ORDER 2006

Approved by Tynwald 26th April 2006

Coming into operation in accordance with Article 1

In exercise of the powers conferred on the Department of Health and Social Security by section 1 of the Pension Schemes Act 1995(a), and of all other enabling powers, the following Order is hereby made:-

Citation and commencement

1. (1) This Order may be cited as the Pensions Act 1995 (Application) (Amendment) (No. 2) Order 2006 and shall, subject to section 1(4) of the Pension Schemes Act 1995, come into force as provided for in paragraphs (2) to (4).

(2) This article shall come into force forthwith.

(3) Article 2 shall come into force on 1st April 2006.

(4) Article 3 shall be deemed to have come into force on 6th April 2006.

Interpretation

2. In this Order modifications subject to which the provisions of section 75A of the Pensions Act 1995 (as it currently stands in Great Britain) are applied to the Isle of Man by this Order are in ***bold italic*** type.

Amendment of the Pensions Act 1995 (Application) Order 1997

3. (1) Amend the Pensions Act 1995 (Application) Order 1997(b) (which sets out those provisions of the Pensions Act 1995 (of Parliament) which have effect in the Isle of Man) in accordance with the following paragraph.

Price: £0.55 Band: A

(a) 1995 c.11; (b) S.D. 501/97.

(2) In Schedule 2 to that Order after section 75¹ (deficiencies in the assets) insert -

“[Deficiencies in the assets: multi-employer schemes

75A. (1) Regulations may modify section 75 (deficiencies in the assets) as it applies in relation to multi-employer schemes.

(2) The regulations may in particular provide for the circumstances in which a debt is to be treated as due under section 75 from an employer in relation to a multi-employer scheme (a “multi-employer debt”).

(3) Those circumstances may include circumstances other than those in which the scheme is being wound up or a relevant *insolvency* event occurs (within the meaning of section 75).

(4) For the purposes of regulations under this section, regulations under section 75(5) may prescribe alternative manners for determining, calculating and verifying—

- (a) the liabilities and assets of the scheme to be taken into account, and
- (b) their amount or value.

(5) to (12) *Omitted*.

(13) In this section “multi-employer scheme” means a trust scheme which applies to earners in employments under different employers.

(14) This section is without prejudice to the powers conferred by—

section 75(5) (power to prescribe the manner of determining, calculating and verifying assets and liabilities etc),

section 75(10) (power to modify section 75 as it applies in prescribed circumstances),

~~section 118(1)(a) (power to modify any provisions of this Part in their application to multi-employer trust schemes), and~~

section 125(3) (power to extend for the purposes of this Part the meaning of “employer”).²

¹ Section 75 was inserted into the Pensions Act 1995 (as it has effect in the Isle of Man) by article 13 of the Pensions Act 1995 (Application) (Amendment) Order 2006 (S.D. 17/06).

² Section 75A was inserted into the Pensions Act 1995 (as it has effect in Great Britain) by section 272 of the Pensions Act 2004.

Made

24th February 2006



Minister for Health and Social Security

EXPLANATORY NOTE

(This note is not part of the Order)

1. This Order applies to the Isle of Man section 75A of the Pensions Act 1995 (of the United Kingdom Parliament), with effect from 6th April 2006.
- 2.1 Articles 1 and 2 provide for the Order's citation, commencement and interpretation.
- 2.2 Article 3 inserts section 75A into the Pensions Act 1995 (as that Act of the United Kingdom Parliament has effect in the Isle of Man). Section 75A was inserted into the Pensions Act 1995 (as it has effect in Great Britain) by section 272 of the Pensions Act 2004.
- 2.3.1 Section 75A provides that section 75 of the 1995 Act may be modified in relation to schemes which have members in employment with different employers ("multi-employer schemes").
- 2.3.2 Section 75 provides that, where the assets of a salary related occupational pension scheme set up under trust are less than its liabilities when it starts to be wound up, then that shortfall is a debt due from the employer to the trustees or managers of the scheme. It also provides that regulations will prescribe which of the scheme's assets and liabilities are to be taken into account for those purposes and what amount or value they are to be taken as having.
- 2.4 Section 75A provides that regulations may –
 - modify section 75 as it applies in relation to multi-employer schemes;
 - provide for the circumstances in which a debt is to be treated as due under section 75 from an employer in relation to a multi-employer scheme (called a "multi-employer debt"), including circumstances other than where the scheme is being wound up or the employer in question becomes insolvent (as is the case for other schemes); and
 - prescribe alternative ways for determining, calculating and verifying the assets and liabilities of the scheme to be taken into account and their amount or value, as compared with section 75.

