



# Pensions Act 2004

## 2004 CHAPTER 35

### PART 5

#### OCCUPATIONAL AND PERSONAL PENSION SCHEMES: MISCELLANEOUS PROVISIONS

##### *No indemnification for fines or civil penalties*

#### **256 No indemnification for fines or civil penalties**

- (1) No amount may be paid out of the assets of an occupational or personal pension scheme for the purpose of reimbursing, or providing for the reimbursement of, any trustee or manager of the scheme in respect of—
  - (a) a fine imposed by way of penalty for an offence of which he is convicted, or
  - (b) a penalty which he is required to pay under or by virtue of section 10 of the Pensions Act 1995 (c. 26) or section 168(4) of the Pension Schemes Act 1993 (c. 48) (civil penalties).
- (2) For the purposes of subsection (1), providing for the reimbursement of a trustee or manager in respect of a fine or penalty includes (among other things) providing for the payment of premiums in respect of a policy of insurance where the risk is or includes the imposition of such a fine or the requirement to pay such a penalty.
- (3) Where any amount is paid out of the assets of an occupational or personal pension scheme in contravention of this section, section 10 of the Pensions Act 1995 (civil penalties) applies to any trustee or manager who fails to take all reasonable steps to secure compliance.
- (4) Where a trustee or manager of an occupational or personal pension scheme—
  - (a) is reimbursed, out of the assets of the scheme or in consequence of provision for his reimbursement made out of those assets, in respect of any of the matters mentioned in subsection (1)(a) or (b), and
  - (b) knows, or has reasonable grounds to believe, that he has been reimbursed as mentioned in paragraph (a),

---

*Status: This is the original version (as it was originally enacted).*

---

then, unless he has taken all reasonable steps to secure that he is not so reimbursed, he is guilty of an offence.

- (5) A person guilty of an offence under subsection (4) is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum, and
  - (b) on conviction on indictment, to imprisonment for a term not exceeding two years, or a fine, or both.