



# Pensions Act 2008

## 2008 CHAPTER 30

### PART 4

#### FINANCIAL ASSISTANCE SCHEME

#### 124 Financial assistance scheme

- (1) Subsection (2) of section 286 of the Pensions Act 2004 (c. 35) (financial assistance scheme for members of certain pension schemes) is amended as follows.
- (2) In the definition of “qualifying member”, for the words from “a person” to the end of paragraph (b) substitute “ a person who, at such time as may be prescribed, is a member of the scheme or has ceased to be a member of the scheme, ”.
- (3) In the definition of “qualifying pension scheme”, in paragraph (b), after “began” insert “ , subject to any prescribed exception, ”.
- (4) In that definition, after paragraph (b) insert—

“the assets of which, at such time as may be prescribed, are insufficient to satisfy in full the liabilities of the scheme calculated in the prescribed manner,”.
- (5) In paragraph (c) of that definition, after “conditions” insert “ , if any, ”.
- (6) Omit the definition of “scheme's pension liabilities” and the words from “and a qualifying pension scheme” to the end.
- (7) Section 316 of that Act (parliamentary control of subordinate legislation) is amended as follows.
- (8) In subsection (1), after “(2)” insert “ , (2A) ”.
- (9) In subsection (2)(n), at the end add “ , except regulations prescribing an exception for the purposes of paragraph (b) of the definition of “qualifying pension scheme” in subsection (2) of that section;” ”.
- (10) After subsection (2) insert—

*Status: Point in time view as at 26/11/2008.*

*Changes to legislation: Pensions Act 2008, Part 4 is up to date with all changes known to be in force on or before 23 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

“(2A) Subsection (1) does not apply to regulations under section 286 prescribing an exception for the purposes of paragraph (b) of the definition of “qualifying pension scheme” in subsection (2) of that section, if a draft of the instrument containing them has been laid before and approved by a resolution of each House of Parliament.”

#### Commencement Information

- II** S. 124 partly in force; s. 124(1)(3)(7)-(10) in force at Royal Assent, see s. 149(2)(d); s. 124(2)(6) in force for specified purposes at 19.12.2008 by S.I. 2008/3241, art. 2; s. 124(2)(6) in force so far as not already in force at 31.3.2010 by S.I. 2010/1145, art. 2 (with art. 3)

## 125 Restriction on purchase of annuities

(1) After section 286 of the Pensions Act 2004 (c. 35) insert—

### “286A Restriction on purchase of annuities

- (1) This section applies to any qualifying pension scheme which has not been fully wound up.
- (2) The trustees of the scheme must not purchase or agree to purchase annuities on behalf of qualifying members unless—
  - (a) before 26 September 2007 the trustees entered into a binding commitment to purchase the annuities, or
  - (b) the purchase of the annuities is approved by the scheme manager on the application of the trustees and any condition imposed under subsection (4)(b) is satisfied.
- (3) An application under subsection (2)(b) must be in writing and must set out the trustees' reasons for applying.
- (4) An approval under subsection (2)(b)—
  - (a) may be given if the scheme manager thinks it appropriate to do so, and
  - (b) may be made subject to such conditions (if any) as the scheme manager thinks appropriate.
- (5) If the trustees fail to comply with subsection (2), the purchase or agreement to purchase is void if the scheme manager so determines.
- (6) A determination under subsection (5) may be made if the scheme manager thinks it appropriate to do so.
- (7) When making a decision under this section as to whether something is appropriate, the scheme manager may take into account such factors as are in the scheme manager's opinion relevant.
- (8) An application under the Financial Assistance Scheme (Halting Annuitisation) Regulations 2007 (S.I. 2007/2533) that has not been determined before 26 June 2008 has effect as if made under subsection (2)(b).
- (9) An approval given under those regulations has effect for the purposes of subsection (2)(b) as if given under this section.

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- (10) In this section “qualifying pension scheme”, “qualifying member” and “scheme manager” have the same meaning as in section 286.
- (11) Regulations may provide that references in this section to the scheme manager have effect as references to such person as may be prescribed.”
- (2) The amendment made by subsection (1) must be taken to have had effect from 26 June 2008.
- (3) In section 316(2) of the Pensions Act 2004 (statutory instruments subject to affirmative resolution procedure), after paragraph (n) insert—
  - “(na) regulations under section 286A(11) (power to provide that references in section 286A to the scheme manager are to have effect as references to a prescribed person);”.

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