



Pensions Act 2008

2008 CHAPTER 30

PART 1

PENSION SCHEME MEMBERSHIP FOR JOBHOLDERS

CHAPTER 3

SAFEGUARDS: EMPLOYMENT AND PRE-EMPLOYMENT

Inducements

54 Inducements

- (1) An employer contravenes this section if the employer takes any action for the sole or main purpose of—
 - (a) inducing a worker to give up membership of a relevant scheme without becoming an active member of another relevant scheme [^{F1} with effect from—
 - (i) the day after the membership is given up, or
 - (ii) a day within the prescribed period (if a period is prescribed)], or
 - (b) inducing a jobholder to give a notice under section 8 without becoming an active member of a qualifying scheme [^{F2} with effect from—
 - (i) the day on which the jobholder became an active member of the scheme to which the notice relates, or
 - (ii) a day within the prescribed period (if a period is prescribed)].
- (2) Section 35 applies in relation to a contravention of this section as it applies in relation to a contravention of section 2(1), and sections 38 to 44 apply accordingly.
- (3) But the Regulator may not issue a compliance notice in respect of a contravention of this section unless the contravention occurred within the prescribed period before—
 - (a) the time when a complaint was made to the Regulator about the contravention, or

Changes to legislation: *Pensions Act 2008, Section 54 is up to date with all changes known to be in force on or before 05 May 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) View outstanding changes*

- (b) the time when the Regulator informed the employer of an investigation of the contravention, if no complaint was made before that time.
- (4) A compliance notice in respect of a contravention of this section may direct the employer to take or refrain from taking specified steps in order to prevent the contravention being repeated.
- (5) For the purposes of this section a worker gives up membership of a relevant scheme if the worker—
 - (a) takes action or makes an omission by which the worker, without ceasing to be employed by the employer, ceases to be an active member of the scheme, or
 - (b) requests or authorises the employer to take such action or to make such an omission.
- (6) In this section, “relevant scheme” means—
 - (a) in relation to a jobholder, a qualifying scheme;
 - (b) in relation to a worker to whom section 9 applies, a scheme which satisfies the requirements of that section.

Textual Amendments

- F1** Words in s. 54(1)(a) substituted (3.11.2011 for specified purposes, otherwise 30.6.2012) by [Pensions Act 2011 \(c. 19\)](#), [ss. 4\(6\)\(a\)](#), 38(1)(4); S.I. 2012/1681, [art. 2\(1\)\(a\)](#)
- F2** Words in s. 54(1)(b) substituted (3.11.2011 for specified purposes, otherwise 30.6.2012) by [Pensions Act 2011 \(c. 19\)](#), [ss. 4\(6\)\(b\)](#), 38(1)(4); S.I. 2012/1681, [art. 2\(1\)\(a\)](#)

Modifications etc. (not altering text)

- C1** S. 54: Power to exclude conferred (3.11.2011) by [Pensions Act 2004 \(c. 35\)](#), [s. 292A](#) (as inserted by [Pensions Act 2011 \(c. 19\)](#), [ss. 18](#), 38(1))
- C2** S. 54 excluded (2.7.2012) by [The Occupational and Personal Pension Schemes \(Automatic Enrolment\) Regulations 2010 \(S.I. 2010/772\)](#), [regs. 1\(1\)](#) (as amended by S.I. 2012/1257, [reg. 3\(b\)](#)) and 5A (as inserted by S.I. 2012/1477, [regs. 1](#), 2)

Commencement Information

- I1** S. 54 wholly in force at 30.6.2012; s. 54 not in force at Royal Assent see s. 149(1); s. 54 in force for specified purposes at 3.11.2011 by virtue of s. 149(2)(k) and ss. 4(6) and 38(1) of 2011 c. 19; s. 54 in force in so far as not already in force at 30.6.2012 by S.I. 2012/1682, [art. 2\(2\)\(a\)](#), Sch. 1

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 3(1A) inserted by [2023 c. 44 s. 1\(2\)](#)
- s. 5(1C) inserted by [2023 c. 44 s. 1\(3\)](#)
- s. 13(3)(ec) inserted by [2023 c. 20 Sch. para. 56](#)
- s. 13A inserted by [2023 c. 44 s. 1\(4\)](#)
- s. 24(1)(c) inserted by [2015 c. 8 Sch. 2 para. 43\(2\)\(d\)](#)
- s. 143(6)(7) inserted by [2023 c. 44 s. 1\(5\)\(b\)](#)