



Pensions Act 2011

2011 CHAPTER 19

PART 4

MONEY PURCHASE BENEFITS

29 Definition of money purchase benefits

- (1) In section 181 of the Pension Schemes Act 1993 (interpretation), in the definition of “money purchase benefits” in subsection (1), for “which are not average salary benefits” substitute “ which fall within section 181B ”.
- (2) After section 181A of that Act insert—

“181B Money purchase benefits: supplementary

- (1) This section applies for the purposes of the definition of “money purchase benefits” in section 181(1).
- (2) A benefit other than a pension in payment falls within this section if its rate or amount is calculated solely by reference to assets which (because of the nature of the calculation) must necessarily suffice for the purposes of its provision to or in respect of the member.
- (3) A benefit which is a pension in payment falls within this section if—
 - (a) its provision to or in respect of the member is secured by an annuity contract or insurance policy made or taken out with an insurer, and
 - (b) at all times before coming into payment the pension was a benefit falling within this section by virtue of subsection (2).
- (4) For the purposes of subsection (2) it is immaterial if the calculation of the rate or amount of the benefit includes deductions for administrative expenses or commission.

Changes to legislation: There are currently no known outstanding effects for the Pensions Act 2011, Section 29. (See end of Document for details)

- (5) In this section references to a pension do not include income withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to the Finance Act 2004)."
- (3) In section 99 of the Pensions Act 2008 (interpretation) in the definition of "money purchase benefits" for "which are not average salary benefits" substitute " which fall within section 99A "
- (4) After that section insert—

“99A Money purchase benefits: supplementary

- (1) This section applies for the purposes of the definition of "money purchase benefits" in section 99.
- (2) A benefit other than a pension in payment falls within this section if its rate or amount is calculated solely by reference to assets which (because of the nature of the calculation) must necessarily suffice for the purposes of its provision to or in respect of the member.
- (3) A benefit which is a pension in payment falls within this section if—
 - (a) its provision to or in respect of the member is secured by an annuity contract or insurance policy made or taken out with an insurer, and
 - (b) at all times before coming into payment the pension was a benefit falling within this section by virtue of subsection (2).
- (4) For the purposes of subsection (2) it is immaterial if the calculation of the rate or amount of the benefit includes deductions for administrative expenses or commission.
- (5) In this section references to a pension do not include income withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to the Finance Act 2004)."
- (5) In paragraph 1(2) of Schedule 10A to the Building Societies Act 1986 (disclosures about directors etc), in the definition of "money purchase benefits", for "which are not average salary benefits" substitute " which fall within paragraph 1A "
- (6) In that Schedule, after paragraph 1 insert—

- “1A (1) This paragraph applies for the purposes of the definition of "money purchase benefits" in paragraph 1(2).
- (2) A benefit other than a pension in payment falls within this paragraph if its rate or amount is calculated solely by reference to assets which (because of the nature of the calculation) must necessarily suffice for the purposes of its provision to or in respect of the director.
- (3) A benefit which is a pension in payment falls within this paragraph if—
 - (a) its provision to or in respect of the director is secured by an annuity contract or insurance policy made or taken out with an insurer, and
 - (b) at all times before coming into payment the pension was a benefit falling within this paragraph by virtue of sub-paragraph (2).

Changes to legislation: There are currently no known outstanding effects for the Pensions Act 2011, Section 29. (See end of Document for details)

- (4) For the purposes of sub-paragraph (2) it is immaterial if the calculation of the rate or amount of the benefit includes deductions for administrative expenses or commission.
- (5) In this paragraph references to a pension do not include income withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to the Finance Act 2004).”
- (7) The amendments made by subsections (1) and (2) are to be regarded as having come into force on 1 January 1997.
- (8) The amendments made by subsections (3) and (4) are to be regarded as having come into force at the same time as section 99 of the Pensions Act 2008.

Modifications etc. (not altering text)

- C1** Pt. 4 excluded (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), 6, 41, 44(1), 47(1), 72(1), 76(1); coming into force immediately after s. 29 of Pensions Act 2011 - see S.I. 2014/1683, art. 2
- C2** S. 29 restricted (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **69(2)** (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2

Commencement Information

- I1** S. 29 in force at 24.7.2014 by [S.I. 2014/1683](#), **art. 2**

Changes to legislation:

There are currently no known outstanding effects for the Pensions Act 2011, Section 29.