



2015 CHAPTER 5

PART 6

PRIVATE PENSIONS

*Transfer of pension benefits*

**Power to prohibit offer of incentives to transfer pension rights**

**33.—**(1) The Department may by regulations make provision prohibiting a person from offering an incentive to another person with the intention of inducing a member of a salary related occupational pension scheme to—

- (a) exercise a right to require a pensions transfer, or
- (b) agree to a pensions transfer.

(2) “Pensions transfer” means a transfer of sums or assets representing any of the member’s pension rights to be used for one or more of the following—

- (a) acquiring rights (whether to present or future benefit) for the member under the rules of another occupational pension scheme or a personal pension scheme;
- (b) purchasing one or more annuities for the member;
- (c) subscribing to other pension arrangements for the member.

(3) “Pension right” means, at any time—

- (a) any right which at that time has accrued to or in respect of the member to future benefits under the scheme rules, or
- (b) any entitlement to the present payment of a pension or other benefit which the member has at that time, under the scheme rules;

and for this purpose “right” includes a pension credit right.

(4) Regulations under this section may in particular—

- (a) provide for the prohibition to apply whether the incentive offered is to be provided by the person making the offer or another person;
- (b) create exceptions to the prohibition;
- (c) provide for Article 10 of the 1995 Order (civil penalties) to apply to a person who contravenes the regulations.

(5) Regulations made by virtue of subsection (4)(c) may in particular provide that for the purposes of Article 10 of the 1995 Order the offer of an incentive is to be regarded as a separate act in relation to each member of a scheme to whom the incentive relates.

(6) Nothing in any regulations made under this section affects the validity of a pensions transfer (or of the exercise of a right to require a transfer or of an agreement to a transfer).

(7) In this section—

- “incentive” means a financial or other advantage;
- “member” has the meaning given by Article 121(1) of the 1995 Order;
- “occupational pension scheme” and “personal pension scheme” have the meanings given by section 1 of the Pension Schemes Act;
- “pension credit right” has the meaning given by Article 121(1) of the 1995 Order;
- “salary related occupational pension scheme” has the meaning given by section 96D of the Pension Schemes Act;
- “scheme rules” has the meaning given by Article 67A(8) of the 1995 Order.

(8) This section binds the Crown.