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Status: Point in time view as at 09/02/2018.
Changes to legislation: Insolvency Act 1986, Section 342B is up to date with all changes known to be in force
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have been made appear in the content and are referenced with annotations. (See end of Document for details)
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Insolvency Act 1986

1986 CHAPTER 45

PART IX

BANKRUPTCY

CHAPTER V

EFFECT OF BANKRUPTCY ON CERTAIN RIGHTS TRANSACTTIONS, ETC.

Adjustment of prior transactions, etc.

[F1[F2**342B** **Orders under section 342A.**

(1) Without prejudice to the generality of section 342A(2), an order under section 342A may include provision—

(a) requiring the person responsible for the arrangement to pay an amount to the individual's trustee in bankruptcy,

(b) adjusting the liabilities of the arrangement in respect of the individual,

(c) adjusting any liabilities of the arrangement in respect of any other person that derive, directly or indirectly, from rights of the individual under the arrangement,

(d) for the recovery by the person responsible for the arrangement (whether by deduction from any amount which that person is ordered to pay or otherwise) of costs incurred by that person in complying in the bankrupt's case with any requirement under section 342C(1) or in giving effect to the order.

(2) In subsection (1), references to adjusting the liabilities of the arrangement in respect of a person include (in particular) reducing the amount of any benefit or future benefit to which that person is entitled under the arrangement.

(3) In subsection (1)(c), the reference to liabilities of the arrangement does not include liabilities in respect of a person which result from giving effect to an order or provision

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Insolvency Act 1986 (c. 45)
Part IX – Bankruptcy
Chapter V – Effect of Bankruptcy on Certain Rights Transacttions, Etc.
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falling within section 28(1) of the Welfare Reform and Pensions Act 1999 (pension sharing orders and agreements).

(4) The maximum amount which the person responsible for an arrangement may be required to pay by an order under section 342A is the lesser of—

    (a) the amount of the excessive contributions, and

    (b) the value of the individual's rights under the arrangement (if the arrangement is an approved pension arrangement) or of his excluded rights under the arrangement (if the arrangement is an unapproved pension arrangement).

(5) An order under section 342A which requires the person responsible for an arrangement to pay an amount ("the restoration amount") to the individual's trustee in bankruptcy must provide for the liabilities of the arrangement to be correspondingly reduced.

(6) For the purposes of subsection (5), liabilities are correspondingly reduced if the difference between—

    (a) the amount of the liabilities immediately before the reduction, and

    (b) the amount of the liabilities immediately after the reduction,

is equal to the restoration amount.

(7) An order under section 342A in respect of an arrangement—

    (a) shall be binding on the person responsible for the arrangement, and

    (b) overrides provisions of the arrangement to the extent that they conflict with the provisions of the order.**]]**

Textual Amendments

F1 Ss. 342A-342C inserted (6.4.1996 for the purpose of authorising the making of regulations) by 1995 c. 26, **s. 95(1)** (with s. 121(5)); S.I. 1996/778, art. 2(5)(a), **Sch. Pt. V**

F2 Ss. 342A-342C substituted (11.11.1999 for certain purposes and otherwise 6.4.2002) by 1999 c. 30, **ss. 15**, 89(5)(a); S.I. 2002/153, **art. 2(e)**

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