



# Welfare Reform and Pensions Act 1999

## 1999 CHAPTER 30

### PART II

#### PENSIONS: GENERAL

##### *Pensions and bankruptcy*

#### **11 Effect of bankruptcy on pension rights: approved arrangements.**

- (1) Where a bankruptcy order is made against a person on a petition presented after the coming into force of this section, any rights of his under an approved pension arrangement are excluded from his estate.
- (2) In this section “approved pension arrangement” means—
  - (a) an exempt approved scheme;
  - (b) a relevant statutory scheme;
  - (c) a retirement benefits scheme set up by a government outside the United Kingdom for the benefit, or primarily for the benefit, of its employees;
  - (d) a retirement benefits scheme which is being considered for approval under Chapter I of Part XIV of the Taxes Act;
  - (e) a contract or scheme which is approved under Chapter III of that Part (retirement annuities);
  - (f) a personal pension scheme which is approved under Chapter IV of that Part;
  - (g) an annuity purchased for the purpose of giving effect to rights under a scheme falling within any of paragraphs (a) to (c) and (f);
  - (h) any pension arrangements of any description which may be prescribed by regulations made by the Secretary of State.
- (3) The reference in subsection (1) to rights under an approved pension arrangement does not include rights under a personal pension scheme approved under Chapter IV of Part XIV of the Taxes Act unless those rights arise by virtue of approved personal pension arrangements.

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*Status: Point in time view as at 30/12/2005. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Welfare Reform and Pensions Act 1999, Section 11. (See end of Document for details)*

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- (4) Subsection (5) applies if—
- (a) at the time when a bankruptcy order is made against a person a retirement benefits scheme is being considered for approval under Chapter I of Part XIV of the Taxes Act, and
  - (b) the decision of the Commissioners of Inland Revenue is that approval is not to be given to the scheme.
- (5) Any rights of that person under the scheme shall (without any conveyance, assignment or transfer) vest in his trustee in bankruptcy, as part of his estate, immediately on—
- (a) the Commissioners' decision being made, or
  - (b) (if later) the trustee's appointment taking effect or, in the case of the official receiver, his becoming trustee.
- (6) Subsection (7) applies if, at any time after a bankruptcy order is made against a person, the Commissioners of Inland Revenue give notice—
- (a) withdrawing their approval under Chapter I of Part XIV of the Taxes Act from a retirement benefits scheme, or
  - (b) withdrawing their approval under Chapter IV of that Part from a personal pension scheme or from any approved personal pension arrangements,
- and the date specified as being that from which the approval is withdrawn ("the withdrawal date") is a date not later than that on which the bankruptcy order is made.
- (7) Any rights of that person under the scheme or arising by virtue of the arrangements, and any rights of his under any related annuity, shall (without any conveyance, assignment or transfer) vest in his trustee in bankruptcy, as part of his estate, immediately on—
- (a) the giving of the notice, or
  - (b) (if later) the trustee's appointment taking effect or, in the case of the official receiver, his becoming trustee.
- (8) In subsection (7) "related annuity" means an annuity purchased on or after the withdrawal date for the purpose of giving effect to rights under the scheme or (as the case may be) to rights arising by virtue of the arrangements.
- (9) Where under subsection (5) or (7) any rights vest in a person's trustee in bankruptcy, the trustee's title to them has relation back to the commencement of the person's bankruptcy; but where any transaction is entered into by the trustees or managers of the scheme in question—
- (a) in good faith, and
  - (b) without notice of the making of the decision mentioned in subsection (4)(b) or (as the case may be) the giving of the notice mentioned in subsection (6),
- the trustee in bankruptcy is not in respect of that transaction entitled by virtue of this subsection to any remedy against them or any person whose title to any property derives from them.
- (10) Without prejudice to section 83, regulations under subsection (2)(h) may, in the case of any description of arrangements prescribed by the regulations, make provision corresponding to any provision made by subsections (4) to (9).
- (11) In this section—

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- (a) “exempt approved scheme”, “relevant statutory scheme” and “retirement benefits scheme” have the same meaning as in Chapter I of Part XIV of the Taxes Act;
  - (b) “approved personal pension arrangements” and “personal pension scheme” have the same meaning as in Chapter IV of that Part;
  - (c) “estate”, in relation to a person against whom a bankruptcy order is made, means his estate for the purposes of Parts VIII to XI of the <sup>M1</sup>Insolvency Act 1986;
  - (d) “the Taxes Act” means the <sup>M2</sup>Income and Corporation Taxes Act 1988.
- (12) For the purposes of this section a person shall be treated as having a right under an approved pension arrangement where—
- (a) he is entitled to a credit under section 29(1)(b) as against the person responsible for the arrangement (within the meaning of Chapter I of Part IV), and
  - (b) the person so responsible has not discharged his liability in respect of the credit.

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**Modifications etc. (not altering text)**

- C1** Ss. 11-13 modified (30.12.2005) by [Occupational Pension Schemes \(Cross-border Activities\) Regulations 2005 \(S.I. 2005/3381\)](#), regs. 1, 16, **Sch. 2 para. 5**
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**Commencement Information**

- I1** S. 11 wholly in force at 6.4.2002; s. 11 in force for certain purposes at Royal Assent see s. 89(1)(5); s. 11(1)-(3)(11) in force at 29.5.2000 insofar as not already in force by [S.I. 2000/1382](#), **art. 2(a)**; s. 11(12) in force at 1.12.2000 insofar as not already in force by [S.I. 2000/1382](#), **art. 2(b)**; s. 11(4)-(10) in force at 6.4.2002 insofar as not already in force by [S.I. 2002/153](#), **art. 2(a)**
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**Marginal Citations**

- M1** 1986 c. 45.  
**M2** 1988 c. 1.

**Status:**

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**Changes to legislation:**

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