



Pensions Act 2008

2008 CHAPTER 30

PART 4

FINANCIAL ASSISTANCE SCHEME

125 Restriction on purchase of annuities

(1) After section 286 of the Pensions Act 2004 (c. 35) insert—

“286A Restriction on purchase of annuities

- (1) This section applies to any qualifying pension scheme which has not been fully wound up.
- (2) The trustees of the scheme must not purchase or agree to purchase annuities on behalf of qualifying members unless—
 - (a) before 26 September 2007 the trustees entered into a binding commitment to purchase the annuities, or
 - (b) the purchase of the annuities is approved by the scheme manager on the application of the trustees and any condition imposed under subsection (4)(b) is satisfied.
- (3) An application under subsection (2)(b) must be in writing and must set out the trustees' reasons for applying.
- (4) An approval under subsection (2)(b)—
 - (a) may be given if the scheme manager thinks it appropriate to do so, and
 - (b) may be made subject to such conditions (if any) as the scheme manager thinks appropriate.
- (5) If the trustees fail to comply with subsection (2), the purchase or agreement to purchase is void if the scheme manager so determines.
- (6) A determination under subsection (5) may be made if the scheme manager thinks it appropriate to do so.

Status: This is the original version (as it was originally enacted).

- (7) When making a decision under this section as to whether something is appropriate, the scheme manager may take into account such factors as are in the scheme manager’s opinion relevant.
 - (8) An application under the Financial Assistance Scheme (Halting Annuitisation) Regulations 2007 ([S.I. 2007/2533](#)) that has not been determined before 26 June 2008 has effect as if made under subsection (2)(b).
 - (9) An approval given under those regulations has effect for the purposes of subsection (2)(b) as if given under this section.
 - (10) In this section “qualifying pension scheme”, “qualifying member” and “scheme manager” have the same meaning as in section 286.
 - (11) Regulations may provide that references in this section to the scheme manager have effect as references to such person as may be prescribed.”
- (2) The amendment made by subsection (1) must be taken to have had effect from 26 June 2008.
- (3) In section 316(2) of the Pensions Act 2004 (statutory instruments subject to affirmative resolution procedure), after paragraph (n) insert—
- “(na) regulations under section 286A(11) (power to provide that references in section 286A to the scheme manager are to have effect as references to a prescribed person);”.