



Dormant Assets Act 2022

2022 CHAPTER 5

PART 1

THE DORMANT ASSETS SCHEME

Pension assets

5 Transfer of eligible pension benefits to reclaim fund

- (1) This section applies where—
 - (a) a pension institution transfers to an authorised reclaim fund dormant eligible pension benefits owing to a person, and
 - (b) the reclaim fund consents to the transfer.
- (2) On the transfer of eligible pension benefits consisting of benefits mentioned in section 6(1)(a) or (b)—
 - (a) a person to whom the benefits are payable immediately before the transfer ceases to have any right against any pension institution to payment of the benefits, but
 - (b) that person acquires against the reclaim fund whatever right to payment of the benefits the person would have had against the institution if the transfer had not happened.
- (3) On the transfer of eligible pension benefits consisting of an amount mentioned in section 6(1)(c)—
 - (a) a person entitled immediately before the transfer to elect to receive the amount in question ceases to have any right against any pension institution to elect to be paid that amount (or to elect to receive the benefit in any other way), but
 - (b) that person acquires against the reclaim fund whatever right to payment of the benefits the person would have had against the institution if the transfer had not happened and the person had elected to be paid the amount concerned.
- (4) In this Act “pension institution”, in relation to any eligible pension benefits, means (subject to subsection (5)) a person who—

Status: This is the original version (as it was originally enacted).

- (a) under Part 4A of FSMA 2000 has permission to perform a regulated activity for the purposes of that Act by virtue of article 52(b) of the RAO 2001, where the regulated activity covered by the permission consists of or includes operating or winding up a personal pension scheme,
 - (b) owes the benefits in the course of, or in connection with, operating or winding up a personal pension scheme, and
 - (c) has its head office or an establishment in the United Kingdom.
- (5) “Pension institution” does not include—
- (a) a mutual insurer, or
 - (b) a person who is specified, or is within a class of persons specified, by an order under section 38 of FSMA 2000 (exemption orders).

6 “Eligible pension benefits”

- (1) In this Act “eligible pension benefits” means (subject to subsection (2)) any of the following amounts—
- (a) benefits in the form of income withdrawal that have become payable under a personal pension scheme,
 - (b) benefits that have become payable under a personal pension scheme—
 - (i) under which all benefits that may be provided are money purchase benefits, and
 - (ii) which is not and has at no time been a qualifying scheme or an automatic enrolment scheme in relation to the member to or in respect of whom the benefits are payable, or
 - (c) an amount available to be paid as benefits under a personal pension scheme of a kind mentioned in paragraph (b),
- after the appropriate adjustments have been made for such things as interest due and fees and charges payable.
- (2) Benefits under a personal pension scheme are excluded from being eligible pension benefits if (or to the extent that) they are provided from sums invested in a with-profits fund.
- (3) In subsection (1)(c) the reference to an amount available to be paid is to an amount which, if a person so elected, would immediately become payable to that person.
- (4) In relation to a time after a transfer has been made as mentioned in section 5(1)(a), the adjustments referred to in subsection (1) above include those that would fall to be made but for the transfer.
- (5) In this section—
- (a) “automatic enrolment scheme”, “money purchase benefits”, “personal pension scheme” and “qualifying scheme” have the meanings given by section 99 of the Pensions Act 2008;
 - (b) “income withdrawal” has the same meaning as in paragraph 7 of Schedule 28 to the Finance Act 2004;
 - (c) “with-profits fund” has the same meaning as it has in the FCA Handbook as in force when this Act is passed.

7 Meaning of “dormant” in relation to eligible pension benefits

- (1) For the purposes of this Act eligible pension benefits are “dormant” at a particular time if any of the following four conditions are met at that time.
- (2) The first condition is that the responsible institution—
 - (a) has been notified that the person in respect of whom the benefits are payable has died, and
 - (b) is satisfied that there is no person—
 - (i) to whom the benefits are payable (in the case of benefits mentioned in section 6(1)(a) or (b)), or
 - (ii) entitled to elect to receive payment (in the case of benefits mentioned in section 6(1)(c)).
- (3) The second condition is that—
 - (a) there has been a period of at least 7 years since the responsible institution was notified that the person in respect of whom the benefits are payable has died, and
 - (b) the responsible institution has not received any communication since that time from—
 - (i) anyone administering the estate of that person, or
 - (ii) a person mentioned in subsection (2)(b) (or a person acting on behalf of that person).
- (4) The third condition is that—
 - (a) the responsible institution is satisfied that the person in respect of whom the benefits are payable would be at least 120 years old, and
 - (b) the responsible institution has not received any communication from—
 - (i) anyone administering the estate of that person, or
 - (ii) the person mentioned in subsection (2)(a) or (2)(b) (or a person acting on behalf of that person),during the preceding 7 years.
- (5) The fourth condition, in the case of pension benefits consisting of benefits mentioned in section 6(1)(a), is that—
 - (a) the pension benefits have become payable by virtue of the pension contract term ending,
 - (b) a period of at least 7 years has elapsed since the end of the term, and
 - (c) the responsible institution has not received any communication from the person to whom the benefits are payable (or a person acting on behalf of that person) since that time.
- (6) In this section “responsible institution” means the pension institution that is responsible, in relation to the benefits concerned, for doing any of the following—
 - (a) receiving notification of the kind mentioned in subsection (2)(a) or (3)(a),
 - (b) making an assessment of the kind mentioned in subsection (2)(b) or (4)(a), and
 - (c) receiving communications as mentioned in subsection (3)(b), (4)(b) or (5)(c).