



# Welfare Reform and Pensions Act 1999

## 1999 CHAPTER 30

### PART I

#### STAKEHOLDER PENSION SCHEMES

#### 1 Meaning of “stakeholder pension scheme”.

- (1) A pension scheme is a stakeholder pension scheme for the purposes of this Part if it is registered as such a scheme under section 2 and each of the following is fulfilled, namely—
  - (a) the conditions set out in subsections (2) [<sup>F1</sup>to [<sup>F2</sup>(10)[<sup>F2</sup>(9)]]]; and
  - (b) such other conditions as may be prescribed.
- (2) The first condition is that the scheme is established under a trust or in such other way as may be prescribed.
- (3) The second condition is that the provisions made by the instruments establishing the scheme comply with such requirements as may be prescribed.
- (4) The third condition is that, subject to such exceptions as may be prescribed, the benefits provided by the scheme are money purchase benefits within the meaning given by section 181 of the <sup>M1</sup>Pension Schemes Act 1993 (“the 1993 Act”).
- (5) The fourth condition is that the scheme complies with such requirements as may be prescribed as regards the extent to which, and the circumstances in which—
  - (a) any payment made to the scheme [<sup>F3</sup>by, or on behalf or in respect of,] a member of the scheme,
  - (b) any income or capital gain arising from the investment of such a payment, or
  - (c) the value of rights under the scheme,may be used to defray the administrative expenses of the scheme, to pay commission or in any other way which does not result in the provision of benefits for or in respect of members.

**Changes to legislation:** Welfare Reform and Pensions Act 1999, Section 1 is up to date with all changes known to be in force on or before 15 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (6) The fifth condition is that the scheme complies with such of the requirements of regulations under section 113 of the 1993 Act (disclosure of information about schemes to members etc.) as are applicable to it.
- (7) The sixth condition is that, subject to such minimum contribution levels and other restrictions as may be prescribed, members of the scheme may make such contributions to the scheme as they think appropriate.
- (8) The seventh condition is that<sup>F4</sup>... the scheme accepts transfer payments in respect of members' rights under—
- (a) other pension schemes;
  - [<sup>F5</sup>(b) contracts and schemes that became registered pension schemes by virtue of paragraph 1(1)(f) of Schedule 36 to the Finance Act 2004 (pension schemes etc. : transitional provisions and savings) ]
  - (c) annuities and insurance policies purchased or transferred for the purpose of giving effect to rights under pension schemes; and
  - (d) annuities purchased or entered into for the purpose of discharging liability in respect of pension credits under section 29(1)(b) or under corresponding Northern Ireland legislation.
- [<sup>F6</sup>(9) The eighth condition is that the scheme is a registered pension scheme under section 153 of the Finance Act 2004 (registration of pension schemes).]

<sup>F7</sup>(10) .....

#### Textual Amendments

- F1** Words in s. 1(1)(a) substituted (6.4.2005) by [Pensions Act 2004 \(c. 35\), ss. 285\(2\), 322\(1\)](#) (with s. 313); [S.I. 2005/275, art. 2\(7\), Sch. Pt. 7](#)
- F2** Word in s. 1(1)(a) substituted (26.9.2007 for specified purposes, 6.4.2012 in so far as not already in force, that being "the abolition date" for the purposes of s. 15(1) of the amending Act) by [Pensions Act 2007 \(c. 22\), ss. 15\(4\), 30\(2\)\(b\), \(3\), Sch. 4 para. 37\(a\)](#) (with Sch. 4 Pt. 3); [S.I. 2011/1267, art. 2\(a\)](#)
- F3** Words in s. 1(5)(a) substituted (6.4.2005) by [Pensions Act 2004 \(c. 35\), ss. 285\(3\), 322\(1\)](#) (with s. 313); [S.I. 2005/275, art. 2\(7\), Sch. Pt. 7](#)
- F4** Words in s. 1(8) omitted (6.4.2006) by virtue of [The Taxation of Pension Schemes \(Consequential Amendments\) Order 2006 \(S.I. 2006/745\), arts. 1, 15\(2\)\(a\)\(i\)](#)
- F5** S. 1(8)(b) substituted (6.4.2006) by [The Taxation of Pension Schemes \(Consequential Amendments\) Order 2006 \(S.I. 2006/745\), arts. 1, 15\(2\)\(a\)\(ii\)](#)
- F6** S. 1(9) substituted (6.4.2006) by [The Taxation of Pension Schemes \(Consequential Amendments\) Order 2006 \(S.I. 2006/745\), arts. 1, 15\(2\)\(b\)](#)
- F7** S. 1(10) repealed (6.4.2012 being "the abolition date" for the purposes of s. 15(1) of the amending Act) by [Pensions Act 2007 \(c. 22\), ss. 15\(4\), 27\(7\), 30\(2\)\(b\), Sch. 4 para. 37\(b\), Sch. 7 Pt. 6](#) (with Sch. 4 Pt. 3); [S.I. 2011/1267, art. 2\(a\)](#)

#### Commencement Information

- I1** S. 1 wholly in force at 1.10.2000; s. 1 in force for certain purposes at Royal Assent see s. 89(1)(5); s. 1 in force at 1.10.2000 insofar as not already in force by [S.I. 2000/1047, art. 2\(2\)\(c\), Sch. Pt. III](#)

#### Marginal Citations

- M1** 1993 c. 48.

**Changes to legislation:**

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**Changes and effects yet to be applied to :**

- s. 1(5) word substituted by [2021 c. 1 s. 127\(1\)\(a\)](#)
- s. 1(5) words inserted by [2021 c. 1 s. 127\(1\)\(b\)](#)
- s. 1(6) words inserted by [2004 c. 35 Sch. 12 para. 72](#)