



# 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 [<sup>F1</sup>bankruptcy application made or] 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—
  - [<sup>F2</sup>(a) a pension scheme registered under section 153 of the Finance Act 2004;]
  - [<sup>F3</sup>(b) .....
  - (c) [<sup>F4</sup>an occupational pension scheme] set up by a government outside the United Kingdom for the benefit, or primarily for the benefit, of its employees;
  - [<sup>F5</sup>(d) .....
  - [<sup>F5</sup>(e) .....
  - [<sup>F5</sup>(f) .....
  - [<sup>F6</sup>(g) an annuity purchased for the purpose of giving effect to rights under a scheme falling within paragraph (a), including an annuity in payment before 6th April 2006, giving effect to rights under any scheme approved—
    - (i) before that date under Chapters 1, 3 or 4 of Part 14 of the Taxes Act; or
    - (ii) any relevant statutory scheme, as defined in section 611 of that Act;]
  - (h) any pension arrangements of any description which may be prescribed by regulations made by the Secretary of State.

[<sup>F7</sup>(3) .....

[<sup>F8</sup>(4) Subsection (5) applies if—

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- (a) at the time when a bankruptcy order is made against a person, an appeal against a decision not to register a pension scheme has been made under section 156 of the Finance Act 2004, and
  - (b) the decision of the [<sup>F9</sup>tribunal] (see section 156(3) of that Act) is to uphold the decision of Her Majesty’s Revenue and Customs not to register 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 [<sup>F10</sup>[<sup>F11</sup>tribunal’s] decision being made, or]
  - (b) (if later) the trustee’s appointment taking effect or, in the case of the official receiver, his becoming trustee.
- [<sup>F12</sup>(6) Subsection (7) applies if, at any time after a bankruptcy order is made against a person Her Majesty’s Revenue and Customs—
- (a) give notice withdrawing registration of the pension scheme under section 157 of the Finance Act 2004, and
  - (b) the date specified as being that from which de-registration occurs under subsection (4) of that section (“the de-registration date”) is the date from which the scheme ceases to be a registered pension scheme.]
- (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 [<sup>F13</sup>de-registration 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—
- [<sup>F14</sup>(a) “occupational pension scheme” has the meaning given in section 150(5) of the Finance Act 2004;]
  - [<sup>F14</sup>(b) “pension scheme” has the meaning given in section 150(1) of the Finance Act 2004 and “registered pension scheme” means a pension scheme registered under section 153 of the Finance Act 2004;]

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- (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.

#### Textual Amendments

- F1** Words in s. 11(1) inserted (6.4.2016) by The Enterprise and Regulatory Reform Act 2013 (Consequential Amendments) (Bankruptcy) and the Small Business, Enterprise and Employment Act 2015 (Consequential Amendments) Regulations 2016 (S.I. 2016/481), reg. 1, **Sch. 1 para. 12**
- F2** S. 11(2)(a) substituted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(a)(i)**
- F3** S. 11(2)(b) omitted (6.4.2006) by virtue of The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(a)(ii)**
- F4** Words in s. 11(2)(c) substituted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(a)(iii)**
- F5** S. 11(2)(d)-(f) omitted (6.4.2006) by virtue of The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(a)(ii)**
- F6** S. 11(2)(g) substituted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(a)(iv)**
- F7** S. 11(3) omitted (6.4.2006) by virtue of The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(b)**
- F8** S. 11(4) substituted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(c)**
- F9** Word in s. 11(4)(b) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 284(2)**
- F10** Words in s. 11(5)(a) inserted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(d)**
- F11** Word in s. 11(5)(a) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 284(3)**
- F12** S. 11(6) substituted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(e)**
- F13** Words in s. 11(8) substituted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(f)**
- F14** S. 11(11)(a)(b) substituted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **15(3)(g)**

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

- C1** Pts. I-IV modified (6.4.2006) by Pensions Act 2004 (c. 35), **ss. 254(3)(c), 322(1)** (with s. 313); S.I. 2006/560, art. 2(3), Sch. Pt. 3
- C2** Pts. I-IV: power to modify conferred (6.4.2006) by Pensions Act 2004 (c. 35), **ss. 321(1)(d), 322(1)**; S.I. 2006/560, art. 2(3), Sch. Pt. 3
- C3** 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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- C4** S. 11 excluded by 1985 c. 66, s. 32A(5) (as inserted (30.6.2014 for specified purposes, 1.4.2015 in so far as not already in force) by [Bankruptcy and Debt Advice \(Scotland\) Act 2014 \(asp 11\)](#), **ss. 4, 57(2)**; [S.S.I. 2014/172](#), art. 2, sch.; [S.S.I. 2014/261](#), art. 3 (with arts. 4-712) (as amended by [S.S.I. 2015/54](#), art. 2))

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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](#).

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