



Pensions Act 2004

2004 CHAPTER 35

PART 5

OCCUPATIONAL AND PERSONAL PENSION SCHEMES: MISCELLANEOUS PROVISIONS

No indemnification for fines or civil penalties

256 No indemnification for fines or civil penalties

- (1) No amount may be paid out of the assets of an occupational or personal pension scheme for the purpose of reimbursing, or providing for the reimbursement of, any trustee or manager of the scheme in respect of—
 - (a) a fine imposed by way of penalty for an offence of which he is convicted, or
 - (b) a penalty which he is required to pay under or by virtue of [^{F1}section 77A, 77B [^{F2}, 88A or 238G] of this Act,] section 10 of the Pensions Act 1995 (c. 26) [^{F3}, section] 168(4) of the Pension Schemes Act 1993 (c. 48) [^{F4}or section 40 or 41 of the Pensions Act 2008][^{F5}or paragraph 3 of Schedule 18 to that Act] (civil penalties).
- (2) For the purposes of subsection (1), providing for the reimbursement of a trustee or manager in respect of a fine or penalty includes (among other things) providing for the payment of premiums in respect of a policy of insurance where the risk is or includes the imposition of such a fine or the requirement to pay such a penalty.
- (3) Where any amount is paid out of the assets of an occupational or personal pension scheme in contravention of this section, section 10 of the Pensions Act 1995 (civil penalties) applies to any trustee or manager who fails to take all reasonable steps to secure compliance.
- (4) Where a trustee or manager of an occupational or personal pension scheme—
 - (a) is reimbursed, out of the assets of the scheme or in consequence of provision for his reimbursement made out of those assets, in respect of any of the matters mentioned in subsection (1)(a) or (b), and

Changes to legislation: *Pensions Act 2004, Section 256 is up to date with all changes known to be in force on or before 21 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*

- (b) knows, or has reasonable grounds to believe, that he has been reimbursed as mentioned in paragraph (a),
 then, unless he has taken all reasonable steps to secure that he is not so reimbursed, he is guilty of an offence.
- (5) A person guilty of an offence under subsection (4) is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum, and
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years, or a fine, or both.

Textual Amendments

- F1** Words in s. 256(1)(b) inserted (1.10.2021) by Pension Schemes Act 2021 (c. 1), s. 131(1), **Sch. 7 para. 10**; S.I. 2021/950, reg. 2(4)(f)
- F2** Words in s. 256(1)(b) substituted (1.1.2024) by Pensions Dashboards (Prohibition of Indemnification) Act 2023 (c. 14), **ss. 1(1), 2(4)**; S.I. 2023/1414, reg. 2
- F3** Word in s. 256(1)(b) substituted (3.11.2011 for specified purposes, 30.6.2012 so far as not already in force) by Pensions Act 2011 (c. 19), **ss. 17(a), 38(1)**; S.I. 2012/1681, art. 2(2)(c)
- F4** Words in s. 256(1)(b) inserted (3.11.2011 for specified purposes, 30.6.2012 so far as not already in force) by Pensions Act 2011 (c. 19), **ss. 17(b), 38(1)**; S.I. 2012/1681, art. 2(2)(c)
- F5** Words in s. 256(1)(b) inserted (11.9.2014) by Pensions Act 2014 (c. 19), s. 56(1), **Sch. 18 para. 10**; S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)
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Commencement Information

- I1** S. 256 in force at 30.6.2005 by S.I. 2005/1720, **art. 2(8)**

Changes to legislation:

Pensions Act 2004, Section 256 is up to date with all changes known to be in force on or before 21 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.

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Changes and effects yet to be applied to :

- s. 256(1)(b) words inserted by [2014 c. 19 Sch. 17 para. 21\(b\)](#)
- s. 256(1)(b) words substituted by [2014 c. 19 Sch. 17 para. 21\(a\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 18(5A) inserted by [2014 c. 19 s. 52\(2\)](#)
- s. 18(6) words inserted by [2014 c. 19 s. 52\(3\)](#)
- s. 18(8) words inserted by [2014 c. 19 s. 52\(3\)](#)
- s. 23(1A) inserted by [2015 c. 8 Sch. 2 para. 26\(3\)](#)
- s. 23(10A) inserted by [2015 c. 8 Sch. 2 para. 26\(5\)](#)
- s. 38(1)-(1B) substituted for s. 38(1) by [2015 c. 8 Sch. 2 para. 27](#)
- s. 38(7)(da) inserted by [2021 c. 1 s. 104\(2\)](#)
- s. 43(1)-(1B) substituted for s. 43(1) by [2015 c. 8 Sch. 2 para. 28\(2\)](#)
- s. 52(1)-(1B) substituted for s. 52(1) by [2015 c. 8 Sch. 2 para. 29](#)
- s. 80(1)(a)(iib) inserted by [2021 c. 1 s. 109\(3\)](#)
- s. 102(2)(a) words in s. 102(2) renumbered as s. 102(2)(a) by [2008 c. 30 s. 44\(5\)\(a\)](#)
- s. 102(2)(b) inserted by [2008 c. 30 s. 44\(5\)\(b\)](#)
- s. 103(1A) inserted by [2008 c. 30 s. 44\(6\)](#)
- s. 117A inserted by [2008 c. 30 Sch. 10 para. 3](#)
- s. 126(1)-(1B) substituted for s. 126(1) by [2015 c. 8 Sch. 2 para. 31](#)
- s. 188(1)(ba) inserted by [2008 c. 30 Sch. 10 para. 6](#)
- s. 189A inserted by [2008 c. 30 Sch. 10 para. 7](#)
- s. 209(9) added by [2008 c. 30 Sch. 10 para. 8](#)
- s. 291(4)(f) and word inserted by [2021 c. 1 Sch. 3 para. 19\(b\)](#)
- s. 318(3)(a)(viii)-(x) inserted by [2015 c. 8 Sch. 2 para. 38\(3\)\(a\)](#)
- s. 318(3)(b)(vi)-(viii) inserted by [2015 c. 8 Sch. 2 para. 38\(3\)\(b\)](#)
- Sch. 4 para. 7(5)(b) inserted by [2008 c. 30 s. 44\(8\)\(b\)](#)
- Sch. 4 para. 13(3) inserted by [2008 c. 30 s. 44\(9\)\(b\)](#)
- Sch. 4 para. 7(5)(a) words in Sch. 4 para. 7(5) renumbered as Sch. 4 para. 7(5)(a) by [2008 c. 30 s. 44\(8\)\(a\)](#)
- Sch. 7 para. 21(2)(c)-(cc) substituted for Sch. 7 para. 21(2)(b)(c) by [2008 c. 30 Sch. 8 para. 11](#) (This amendment not applied to legislation.gov.uk. Sch. 8 para. 10 (3.1.2012) omitted without ever being in force by virtue of 2011 c. 19, Sch. 4 para. 20; S.I. 2011/3034 art. 3(i)(iv))