STATUTORY INSTRUMENTS

2010 No. 529

The Pension Schemes (Transfers, Reorganisations and Winding Up) (Transitional Provisions) (Amendment) Order 2010

Amendment of Article 15

5.—(1) For article 15 (the annuity purchase condition) substitute—

"**15.**—(1) The annuity purchase condition is met if—

(a) condition A is met in the case of an annuity policy that has been assigned, or

(b) conditions A to C are met in the case of an annuity policy that has been purchased.

(2) Condition A is that all the rights of the member have been extinguished by—

(a) purchasing one annuity policy which satisfies the requirements prescribed under section 74(3)(c) of the Pensions Act 1995(**1**) ("the prescribed requirements"), or

(b) assigning one annuity policy which satisfies the prescribed requirements, to the member.

(3) Condition B is that the contract under which the annuity policy was purchased ("the annuity contract") does not authorise the making of any payment which would be an unauthorised payment within the meaning of Part 4 of the Finance Act 2004.

(4) Condition C is that the annuity contract does not provide for the immediate payment of benefits.

(5) If the annuity purchase condition is met, paragraph 1(1) of Schedule 36 shall be modified so as to provide in addition that—

(a) in the case of an annuity policy within paragraph (2)(a), the annuity policy is treated as having become a registered pension scheme ("the new pension scheme") on the date on which the contract was made, and

(b) in the case of an annuity policy within paragraph (2)(b), the annuity policy is treated as having become a registered pension scheme ("the new pension scheme") on the date the annuity policy was assigned.".

(**1**) 1995 c .26.