



# Pensions Act 1995

## 1995 CHAPTER 26

### PART I

#### OCCUPATIONAL PENSIONS

##### *Winding up*

#### **74 Discharge of liabilities by insurance, etc**

- (1) This section applies where a salary related occupational pension scheme to which section 56 applies, other than a scheme falling within a prescribed class or description, is being wound up.
- (2) A liability to or in respect of a member of the scheme in respect of pensions or other benefits (including increases in pensions) is to be treated as discharged (to the extent that it would not be so treated apart from this section) if the trustees or managers of the scheme have, in accordance with prescribed arrangements, provided for the discharge of the liability in one or more of the ways mentioned in subsection (3).
- (3) The ways referred to in subsection (2) are—
  - (a) by acquiring transfer credits allowed under the rules of another occupational pension scheme which satisfies prescribed requirements and the trustees or managers of which are able and willing to accept payment in respect of the member,
  - (b) by acquiring rights allowed under the rules of a personal pension scheme which satisfies prescribed requirements and the trustees or managers of which are able and willing to accept payment in respect of the member's accrued rights,
  - (c) by purchasing one or more annuities which satisfy prescribed requirements from one or more insurance companies, being companies willing to accept payment in respect of the member from the trustees or managers,
  - (d) by subscribing to other pension arrangements which satisfy prescribed requirements.

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*Status: This is the original version (as it was originally enacted).*

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- (4) If the assets of the scheme are insufficient to satisfy in full the liabilities, as calculated in accordance with the rules of the scheme, in respect of pensions and other benefits (including increases in pensions), the reference in subsection (2) to providing for the discharge of any liability in one or more of the ways mentioned in subsection (3) is to applying any amount available, in accordance with section 73, in one or more of those ways.
- (5) Regulations may provide for this section—
- (a) to have effect in relation to so much of any liability as may be determined in accordance with the regulations, or
  - (b) to have effect with prescribed modifications in relation to schemes falling within a prescribed class or description.