



Pensions Act 2008

2008 CHAPTER 30

PART 4

FINANCIAL ASSISTANCE SCHEME

125 Restriction on purchase of annuities

(1) After section 286 of the Pensions Act 2004 (c. 35) insert—

“286A Restriction on purchase of annuities

- (1) This section applies to any qualifying pension scheme which has not been fully wound up.
- (2) The trustees of the scheme must not purchase or agree to purchase annuities on behalf of qualifying members unless—
 - (a) before 26 September 2007 the trustees entered into a binding commitment to purchase the annuities, or
 - (b) the purchase of the annuities is approved by the scheme manager on the application of the trustees and any condition imposed under subsection (4)(b) is satisfied.
- (3) An application under subsection (2)(b) must be in writing and must set out the trustees' reasons for applying.
- (4) An approval under subsection (2)(b)—
 - (a) may be given if the scheme manager thinks it appropriate to do so, and
 - (b) may be made subject to such conditions (if any) as the scheme manager thinks appropriate.
- (5) If the trustees fail to comply with subsection (2), the purchase or agreement to purchase is void if the scheme manager so determines.
- (6) A determination under subsection (5) may be made if the scheme manager thinks it appropriate to do so.

Changes to legislation: *Pensions Act 2008, Section 125 is up to date with all changes known to be in force on or before 18 March 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*

- (7) When making a decision under this section as to whether something is appropriate, the scheme manager may take into account such factors as are in the scheme manager's opinion relevant.
 - (8) An application under the Financial Assistance Scheme (Halting Annuitisation) Regulations 2007 (S.I. 2007/2533) that has not been determined before 26 June 2008 has effect as if made under subsection (2)(b).
 - (9) An approval given under those regulations has effect for the purposes of subsection (2)(b) as if given under this section.
 - (10) In this section “qualifying pension scheme”, “qualifying member” and “scheme manager” have the same meaning as in section 286.
 - (11) Regulations may provide that references in this section to the scheme manager have effect as references to such person as may be prescribed.”
- (2) The amendment made by subsection (1) must be taken to have had effect from 26 June 2008.
- (3) In section 316(2) of the Pensions Act 2004 (statutory instruments subject to affirmative resolution procedure), after paragraph (n) insert—
- “(na) regulations under section 286A(11) (power to provide that references in section 286A to the scheme manager are to have effect as references to a prescribed person);”.

Changes to legislation:

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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. 3(1A) inserted by [2023 c. 44 s. 1\(2\)](#)
- s. 5(1C) inserted by [2023 c. 44 s. 1\(3\)](#)
- s. 13(3)(ec) inserted by [2023 c. 20 Sch. para. 56](#)
- s. 13A inserted by [2023 c. 44 s. 1\(4\)](#)
- s. 24(1)(c) inserted by [2015 c. 8 Sch. 2 para. 43\(2\)\(d\)](#)
- s. 143(6)(7) inserted by [2023 c. 44 s. 1\(5\)\(b\)](#)