



Pensions Act 2008

2008 CHAPTER 30

PART 1

PENSION SCHEME MEMBERSHIP FOR JOBHOLDERS

CHAPTER 3

SAFEGUARDS: EMPLOYMENT AND PRE-EMPLOYMENT

Inducements

54 Inducements

- (1) An employer contravenes this section if the employer takes any action for the sole or main purpose of—
 - (a) inducing a worker to give up membership of a relevant scheme without becoming an active member of another relevant scheme [^{F1} with effect from—
 - (i) the day after the membership is given up, or
 - (ii) a day within the prescribed period (if a period is prescribed)], or
 - (b) inducing a jobholder to give a notice under section 8 without becoming an active member of a qualifying scheme [^{F2} with effect from—
 - (i) the day on which the jobholder became an active member of the scheme to which the notice relates, or
 - (ii) a day within the prescribed period (if a period is prescribed)].
- (2) Section 35 applies in relation to a contravention of this section as it applies in relation to a contravention of section 2(1), and sections 38 to 44 apply accordingly.
- (3) But the Regulator may not issue a compliance notice in respect of a contravention of this section unless the contravention occurred within the prescribed period before—
 - (a) the time when a complaint was made to the Regulator about the contravention, or

Changes to legislation: *Pensions Act 2008, Cross Heading: Inducements is up to date with all changes known to be in force on or before 28 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*

- (b) the time when the Regulator informed the employer of an investigation of the contravention, if no complaint was made before that time.
- (4) A compliance notice in respect of a contravention of this section may direct the employer to take or refrain from taking specified steps in order to prevent the contravention being repeated.
- (5) For the purposes of this section a worker gives up membership of a relevant scheme if the worker—
 - (a) takes action or makes an omission by which the worker, without ceasing to be employed by the employer, ceases to be an active member of the scheme, or
 - (b) requests or authorises the employer to take such action or to make such an omission.
- (6) In this section, “relevant scheme” means—
 - (a) in relation to a jobholder, a qualifying scheme;
 - (b) in relation to a worker to whom section 9 applies, a scheme which satisfies the requirements of that section.

Textual Amendments

- F1** Words in s. 54(1)(a) substituted (3.11.2011 for specified purposes, otherwise 30.6.2012) by [Pensions Act 2011 \(c. 19\)](#), [ss. 4\(6\)\(a\)](#), 38(1)(4); S.I. 2012/1681, [art. 2\(1\)\(a\)](#)
- F2** Words in s. 54(1)(b) substituted (3.11.2011 for specified purposes, otherwise 30.6.2012) by [Pensions Act 2011 \(c. 19\)](#), [ss. 4\(6\)\(b\)](#), 38(1)(4); S.I. 2012/1681, [art. 2\(1\)\(a\)](#)

Modifications etc. (not altering text)

- C1** S. 54: Power to exclude conferred (3.11.2011) by [Pensions Act 2004 \(c. 35\)](#), [s. 292A](#) (as inserted by [Pensions Act 2011 \(c. 19\)](#), [ss. 18](#), 38(1))
- C2** S. 54 excluded (2.7.2012) by [The Occupational and Personal Pension Schemes \(Automatic Enrolment\) Regulations 2010 \(S.I. 2010/772\)](#), [regs. 1\(1\)](#) (as amended by S.I. 2012/1257, [reg. 3\(b\)](#)) and 5A (as inserted by S.I. 2012/1477, [regs. 1](#), 2)

Commencement Information

- I1** S. 54 wholly in force at 30.6.2012; s. 54 not in force at Royal Assent see s. 149(1); s. 54 in force for specified purposes at 3.11.2011 by virtue of s. 149(2)(k) and ss. 4(6) and 38(1) of 2011 c. 19; s. 54 in force in so far as not already in force at 30.6.2012 by S.I. 2012/1682, [art. 2\(2\)\(a\)](#), Sch. 1

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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\(5\)\(b\)](#)