STATUTORY INSTRUMENTS

2007 No. 2533

PENSIONS

The Financial Assistance Scheme (Halting Annuitisation) Regulations 2007

Made - - - -	*29th August 2007*
Laid before Parliament	*4th September 2007*
Coming into force - -	*26th September 2007*

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by section 19 of the Pensions Act 2007(**a**).

Citation, commencement, extent and interpretation

1.—(1) These regulations may be cited as the Financial Assistance Scheme (Halting Annuitisation) Regulations 2007 and shall come into force on 26th September 2007.

(2) These Regulations extend to Northern Ireland.

(3) In these regulations "prohibition period" means the period of 9 months beginning with the date on which these regulations come into force.

Prohibition on purchase of annuities

2.—(1) Trustees of relevant pension schemes are prohibited from purchasing, or agreeing to purchase, annuities on behalf of qualifying members during the prohibition period, unless —

(a) before the beginning of that period the trustees have entered into a binding commitment to purchase the annuities, or

(b) the purchase of the annuities is approved in pursuance of paragraphs (2) and (3).

(2) If the trustees of any relevant pension scheme want to purchase annuities on behalf of qualifying members during the prohibition period, they must apply in writing to the scheme manager for approval of the purchase, setting out their reasons for wanting to do so.

(3) Following receipt of such an application, the scheme manager may approve the purchase of any such annuities if he thinks it appropriate to do so.

(4) When deciding whether or not it is appropriate to approve any purchase of annuities, the scheme manager may take into account such factors as are in his opinion relevant.

Signed by authority of the Secretary of State for Work and Pensions.

(**a**) 2007 c.22.

Mike O'Brien
Minister of State,
29th August 2007 Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision requiring the trustees of certain pension schemes in relation to the Financial Assistance Scheme (FAS) not to purchase or to agree to purchase annuities during the "prohibition period".

Regulation 1 makes provision in relation to the commencement and extent of the regulations, and sets out a definition of "prohibition period" as being nine months beginning with the date on which these Regulations come into force.

Regulation 2 provides that trustees of certain schemes must not purchase or agree to purchase annuities during the prohibition period, subject to certain exceptions.

Paragraphs (3) and (4) set out the procedure by which the FAS scheme manager may approve the purchase of annuities during the prohibition period.

A regulatory impact assessment has not been published for this instrument as it has only a negligible impact on business, charities and voluntary bodies.

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