

## **PENSION**

### **QUESTION**

**What will happen to my Pension**

### **ANSWER**

The legislation provides that, all rights and benefits under **approved** pension arrangements will be excluded from the bankrupt's estate.

However, the trustee will write to the pension company to see if any lump sums / excessive pension contributions have been paid into the pension scheme prior to your bankruptcy and these can be realised for the benefit of your creditors.

Should you have any further questions as regards your pension I will have to obtain the advice from Head Office as the legislation is changing all the time and they are in contact with Solicitors who advise them immediately of any changes.

See Additional Information sheet for the Insolvency Service Guidelines

## ADDITIONAL INFORMATION

### **Insolvency Service Guide to Bankruptcy last updated 9 January 2025**

[Guide to Bankruptcy - GOV.UK](#)

#### **What happens to your pension**

Most pension schemes are not included in your bankruptcy (for bankruptcy orders made after 29 May 2000) and they cannot be claimed by the trustee.

The pension scheme must be a UK state pension scheme or a scheme approved or registered by HM Revenue & Customs. Approved or registered pension schemes are usually:

- occupational (employers) pension schemes approved for tax purposes
- personal pensions approved for tax purposes
- stakeholder pensions
- retirement annuity contracts

If your pension scheme is not an approved or registered scheme you might be able to exclude it from your bankruptcy by:

- applying to the court for an 'exclusion order', or
- making a qualifying agreement (an understanding with the trustee that the pension should be excluded)

If your pension is part of the bankruptcy, it can be used to make payments to your creditors.