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STATUTORY RULES OF NORTHERN IRELAND

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**2015 No. 113**

**The Police Pensions Regulations (Northern Ireland) 2015**

**PART 11**

**Transfers**

**CHAPTER 1**

**Preliminary**

**Application of Part**

**177.** This Part—

- (a) supplements the rights conferred by or under Chapter 4 of Part 4 of the 1993 Act (transfer values) and is without prejudice to that Chapter; and
- (b) supplements the rights conferred by or under Chapter 5 of that Part (early leavers: cash transfer sums and contribution refunds<sup>(1)</sup>) and is without prejudice to that Chapter.

**Interpretation of Part**

**178.** In this Part—

“cash equivalent” in relation to benefits under this scheme other than accrued earned pension, means an amount calculated in accordance with regulations made under

section 93 (calculation of cash equivalents) of the 1993 Act **(2)**;

“club scheme” means a registered occupational pension scheme (other than a connected scheme) that has agreed to make and receive club transfer value payments under the club transfer arrangements;

“club transfer” means a transfer to or from this scheme under the club transfer arrangements;

“club transfer arrangements” means arrangements approved by the scheme manager as providing reciprocal arrangements between this scheme and other registered occupational pension schemes for making and receiving club transfer value payments;

“club transfer value”, in relation to accrued earned pension under this scheme or under another club scheme, means an amount calculated by the scheme manager—

- (a) in accordance with the club transfer arrangements; and
- (b) by reference to the guidance and tables provided by the Government Actuary for this purpose that are in use on the date used for the calculation;

“club transfer value payment” means payment of a club transfer value;

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(1) Chapter 5 of Part 4 of the Pensions Schemes (Northern Ireland) Act 1993 was inserted by Article 241 of the Pensions (Northern Ireland) Order 2005 (S.I.2005/255).

(2) Section 93 was amended by the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213) Art.165 Sch.4 para.6 and the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c.4) section 52 and Sch.5 para.5(1).

“guarantee date” has the meaning given in regulation 181 (statement of entitlement);

“guaranteed cash equivalent”, in relation to benefits under this scheme other than accrued earned pension, means the cash equivalent of those benefits as at the guarantee date, as specified in a statement of entitlement;

“sending scheme” means a club scheme which pays a club transfer value;

“statement of entitlement”, in relation to the accrued rights to benefits under this scheme of a “deferred member”, means a statement by the scheme manager at the guarantee date setting out —

- (a) the cash equivalent of benefits under this scheme other than accrued earned pension; and
- (b) the club transfer value of accrued earned pension under this scheme.

“transfer payment ” means a transfer value payment or a club transfer value payment;

“transfer value” means—

- (a) for accrued rights to benefits under this scheme (other than rights to accrued earned pension), an amount equal to—
  - (i) the guaranteed cash equivalent of those benefits; or
  - (ii) the guaranteed cash equivalent together with any increase payable under regulation 183 (calculating amount of transfer value or club transfer value); and
- (b) for accrued rights to benefits under another pension scheme (other than rights to accrued club transfer earned pension), an amount —
  - (i) determined by the scheme actuary of that scheme; and
  - (ii) specified in a statement of accrued rights provided by the scheme manager of that scheme; and

“transfer value payment” means a payment of a transfer value.

## CHAPTER 2

### Transfers out

#### **Transfer payments made to other schemes or pension arrangements**

**179.**—(1) Subject to regulation 184 (request for transfer out after member repays to scheme manager a refund received under regulation 183), a transfer payment may only be made in respect of the accrued rights to benefits of a deferred member of this scheme.

(2) A transfer payment may only be made to—

- (a) a registered pension scheme that is not a connected scheme; or
- (b) a pension arrangement that is a qualifying recognised overseas pension scheme for the purposes of Part 4 of the 2004 Act (see section 169(2)(3) of that Act).

(3) A transfer payment may not be made in respect of rights that are attributable (directly or indirectly) to a pension credit.

(4) A member may only require the scheme manager to use a transfer payment in a way specified in section 91(2)(4) of the 1993 Act.

(5) A member may only require the scheme manager to make a club transfer value payment in the period of 12 months beginning with the day on which the member becomes eligible to be an active member of the club scheme to which the payment is to be made.

(3) Section 169(2) was amended by the Finance Act 2013 (c. 29) section 53(2) and (3).

(4) section 91(2)(c) was substituted by S.I. 2001/ 3649, Arts 133.

(6) If section 92(2) of the 1993 Act<sup>(5)</sup> applies, benefits attributable to the following may be excluded from the transfer payment—

- (a) the member’s accrued rights to a guaranteed minimum pension; or
- (b) the member’s accrued rights attributable to service in contracted-out employment (within the meaning of Part 3 of that Act) on or after 6 April 1997.

#### **Application for a statement of entitlement**

**180.**—(1) This regulation applies in relation to a deferred member of this scheme (P) who requires a transfer payment to be made in respect of P’s accrued rights to benefits under this scheme.

(2) Before requesting the transfer payment, P must apply for a statement of entitlement by written notice to the scheme manager.

(3) P may withdraw the application by written notice to the scheme manager at any time before the statement is provided.

(4) P may make a second application by written notice to the scheme manager in the period of 12 months beginning with the date of the first application<sup>(6)</sup>.

#### **Statement of entitlement**

**181.**—(1) The scheme manager must specify in the statement of entitlement the date by reference to which the cash equivalent or club transfer value is calculated (“guarantee date”).

(2) Unless paragraph (4) applies, the guarantee date must fall within both the following periods—

- (a) the 3 months beginning with the date of the member’s application for the statement of entitlement (“the 3 month period”); and
- (b) the 10 days ending with the date on which the member is provided with that statement (“the 10 day period”).

(3) In counting the 10 day period, Saturdays, Sundays, Christmas Day, New Year’s Day and Good Friday are excluded.

(4) The scheme manager may specify in the statement of entitlement a guarantee date that falls within the 6 months beginning with the date of the member’s application for the statement of entitlement if, for reasons beyond the control of the scheme manager, the information needed to calculate the amount of the cash equivalent or club transfer value cannot be obtained before the end of the 3 month period.

#### **Request for transfer payment to be made**

**182.**—(1) A deferred member of this scheme who is provided with a statement of entitlement may request a transfer payment to be made in respect of the member’s accrued rights to benefits under this scheme.

(2) The request for the transfer payment must—

- (a) be made by written notice to the scheme manager;

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(5) Section 92(2) was amended by the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213) Art.147 and Sch.3 para.53(a), the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147) Arts.17,76, Sch.2 para.2(2)(b) and Sch.10 Pt 1, the Pensions Act (Northern Ireland) 2008 (2008 c.1) sections 13,19 ,Sch.4 para.29 and Sch.6 Pt.6 and the Pensions (2008 No.2 Act) (Abolition of Protected Rights) (Consequential Provisions) Order (Northern Ireland) 2012 (S.R. 2012 No. 124) Art.4(14)(a).

(6) This provision overrides regulation 6(3) of the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1996(SR 1996 No. 619) which provides that a member may not make a second application within this period unless the rules of the scheme provide otherwise.

(b) specify the pension scheme or other pension arrangement to which the transfer payment is to be made; and

(c) meet any other conditions the scheme manager requires.

(3) The member by written notice to the scheme manager may withdraw the request at any time before the transfer payment is made.

(4) The member may not withdraw the request if an agreement for the use of the whole or part of the transfer payment has already been entered into with a third party.

### **Calculating the amount of a transfer value or club transfer value**

**183.**—(1) If a transfer value is paid later than 6 months after the guarantee date, the amount of the guaranteed cash equivalent must be increased in accordance with regulations made under section 93 of the 1993 Act.

(2) If a club transfer value is paid later than 6 months after the guarantee date, the amount of the club transfer value as specified in the statement of entitlement must be increased if necessary so that it is equal to the amount it would have been if the guarantee date had been the date on which the payment is made.

(3) If the transfer value or club transfer value is less than the minimum transfer value, the amount of the transfer value or club transfer value must be increased so that it is equal to the amount of the minimum transfer value.

(4) In this regulation, “minimum transfer value” means the total of—

- (a) the sum of all member contributions and payments for added pension made by the member; and
- (b) the sum of all transfer payments received by this scheme in relation to the member.

### **Request for transfer out after member repays to scheme manager a refund received under regulation 183**

**184.**—(1) This regulation applies to a member who—

- (a) receives a refund under regulation 175 (refund of all member contributions and payments for added pension made by the member); and
- (b) enters new pension arrangements with a new employer.

(2) The member may request a transfer payment to be made under this Chapter to the new pension arrangements in respect of the member’s accrued rights to benefits under this scheme if the member repays to the scheme manager the amount refunded under regulation 175 and any interest payable under paragraph (3)—

- (a) within 12 months of entering a new club scheme (or any longer period the scheme manager determines); or
- (b) within 6 months of entering any other pension arrangements (or any longer period the scheme manager determines).

(3) Interest is payable on the amount refunded under regulation 175 if the member repays that amount more than a year after the member receives the refund.

(4) For the purpose of paragraph (3), interest is calculated at the rate of 5% year, compounded with yearly rests.

### **Effect of transfers-out**

**185.** If a transfer payment is made under this Chapter in respect of a member's accrued rights to benefits under this scheme, those rights are extinguished.

## **CHAPTER 3**

### **Transfers in**

### **Application of Chapter**

**186.** This Chapter applies in relation to an active member of this scheme (P) who has accrued rights under another pension scheme.

### **Interpretation of Chapter**

**187.** In this Chapter—

“club transfer statement” means a statement under regulation 192 of the amount of club transfer earned pension;

“transfer date” means the earlier of—

(a) if the scheme manager has provided a transfer statement or a club transfer value statement, the last day of the period of 2 months beginning with the date of the statement; and

(b) the day on which the transfer payment is received by the scheme manager;

“transfer payment request” means a request to the scheme manager under this Chapter that a transfer payment be accepted from another pension scheme;

“transfer statement” means a statement under regulation 189(2).

### **Request for acceptance of a transfer payment**

**188.—**(1) P may by written notice to the scheme manager request that a transfer payment be accepted in respect of some or all of P's accrued rights to benefits under another pension scheme.

(2) A transfer payment request—

(a) must specify—

(i) the pension scheme from which the transfer payment is to be made; and

(ii) the anticipated amount of the transfer payment;

(b) must meet any other conditions the scheme manager requires; and

(c) subject to paragraph (3), must be made during the period of 12 months beginning with P's first day of eligible service.

(3) The scheme manager may treat a transfer payment request as having been made earlier than it was if the scheme manager considers it reasonable to do so in the circumstances.

(4) Subject to paragraph (5), on receiving a transfer payment request, the scheme manager may accept the transfer payment if the conditions(if any) that the scheme manager required are met.

(5) The scheme manager may not accept a transfer payment if—

(a) it would be applied in whole or in part in respect of—

(i) the member's entitlement to a guaranteed minimum pension; or

(ii) the entitlement of the member's spouse or civil partner to a guaranteed minimum pension; and

- (b) it is less than the amount required for that purpose, as calculated by the scheme manager in accordance with actuarial guidance and actuarial tables prepared for the purposes of this paragraph.

### **Transfer statement**

**189.**—(1) This regulation applies in relation to a request for a transfer value payment to be accepted from another pension scheme.

(2) The scheme manager may require that, before making a transfer payment request, P must ask the scheme manager to provide a statement of the amount of transferred pension that P will be entitled to count under regulation 190 (amount of transferred pension) if the transfer date falls within the period of 2 months beginning with the date of that statement.

(3) The amount specified in the transfer statement must be an amount calculated by the scheme manager in accordance with actuarial guidance and actuarial tables by reference to—

- (a) factors relating to P's circumstances as at the end of that 2-month period; and
- (b) any other factors as at the date of the statement that the scheme actuary considers should apply.

### **Amount of transferred pension**

**190.**—(1) This regulation applies in relation to any transfer value payment received in relation to P from another pension scheme.

(2) For the scheme year in which the transfer date falls, the amount of transferred pension P is entitled to count in respect of the transfer payment is—

- (a) the amount specified in the transfer statement; or
- (b) if such a statement is not provided, an amount calculated by the scheme manager in accordance with actuarial guidance and actuarial tables by reference to any factors as at the transfer date that the scheme actuary considers should apply.

(3) The amount of transferred pension P is entitled to count in a scheme year must not be more than 50% of P's annual rate of pensionable earnings as at the day P becomes an active member of this scheme.

### **Club transfer statement**

**191.**—(1) This regulation applies in relation to a request by P for a club transfer value payment to be accepted from another club scheme.

(2) The scheme manager may require that, before making the transfer payment request, P must ask the scheme manager to provide a statement of the amount of club transfer earned pension that P will be entitled to count under regulation 192 (amount of club transfer earned pension) if the transfer date falls within the period of 2 months beginning with the date of that statement.

(3) The amount of club transfer earned pension specified in the statement must be calculated by the scheme manager in accordance with actuarial guidance and actuarial tables by reference to—

- (a) factors relating to P's circumstances as at the end of that 2-month period; and
- (b) any other factors as at the date of the statement that the scheme actuary considers should apply.

(4) The statement must specify the basis on which an amount of accrued earned pension is revalued under the sending scheme while a member is in pensionable service under that scheme.

### **Amount of club transfer earned pension**

**192.**—(1) This regulation applies in relation to a club transfer value payment received from another club scheme in relation to P.

(2) For the scheme year in which the transfer date falls, the amount of club transfer earned pension P is entitled to count in respect of a club transfer value payment is—

- (a) the amount specified in the club transfer value statement; or
- (b) if such a statement is not provided, an amount calculated by the scheme manager in accordance with actuarial guidance and actuarial tables by reference to any factors as at the transfer date that the scheme actuary considers should apply.

## **CHAPTER 4**

### **England and Wales and Scotland transfers**

#### **Interpretation**

**193.** In this Chapter, “another police pension scheme” means a police pension scheme other than this scheme.

#### **Transfers out**

**194.**—(1) This regulation applies if a person—

- (a) ceases to be an active member of this scheme; and
- (b) begins pensionable service under another police pension scheme.

(2) This regulation does not apply if—

- (a) the person begins pensionable service under another police pension scheme after a gap in service exceeding 5 years;
- (b) all member contributions and payments for added pension made by the member under this scheme have been refunded under regulation 175; or
- (c) a retirement pension has become payable under this scheme.

(3) On the first day of pensionable service in another police pension scheme, the member’s accrued rights to benefits under this scheme become the member’s accrued rights to benefits under the other police pension scheme.

#### **Transfers in**

**195.**—(1) This regulation applies if a person—

- (a) ceases to be an active member of another police pension scheme; and
- (b) begins pensionable service under this scheme.

(2) This regulation does not apply if—

- (a) the person begins pensionable service under this scheme after a gap in service exceeding 5 years;
- (b) a repayment of contributions has been made to the person under the other police pension scheme; or
- (c) a retirement pension has become payable to the person under the other police pension scheme.

(3) On the first day of pensionable service in this scheme, the member's accrued rights to benefits under the other police pension scheme become the member's accrued rights to benefits under this scheme.