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STATUTORY RULES OF NORTHERN IRELAND

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**1996 No. 618**

**The Contracting-out (Transfer and Transfer Payment) Regulations (Northern Ireland) 1996**

**Part II**

**Transfers of, and Transfer Payments in respect of, Guaranteed Minimum Pensions**

**General**

2.—(1) A transfer or transfer payment from an occupational pension scheme of, or in respect of, the accrued rights of an earner to guaranteed minimum pensions may be made in accordance with whichever of regulations 3 to 6 is applicable and no such transfer or transfer payment may otherwise be made from such a scheme.

(2) A transfer or transfer payment from an appropriate policy of, or in respect of, the accrued rights of an earner to guaranteed minimum pensions which are appropriately secured may be made in accordance with whichever of regulations 3, 5 or 6 is applicable and no such transfer or transfer payment may otherwise be made from such a policy.

(3) A transfer of liability for the payment of guaranteed minimum pensions to, or in respect of, any person who has become entitled to them may be made from an occupational pension scheme in accordance with whichever of regulations 3 or 4 is applicable and no such transfer may otherwise be made.

(4) In regulations 3 to 6 “transfer” means a transfer, of accrued rights or liability, such as is described in this regulation and “transfer payment” means a payment in respect of accrued rights such as is described in this regulation.

**Transfers of guaranteed minimum pensions to salary related contracted-out schemes**

3. A transfer may be made to a salary related contracted-out scheme if—
- (a) the earner or person concerned consents in writing;
  - (b) in the case of a transfer of the accrued rights of an earner—
    - (i) the earner is employed by an employer who is a contributor to the receiving scheme, or
    - (ii) the earner has previously been a member of the receiving scheme;
  - (c) in the case of a transfer of the accrued rights of an earner who is not in employment which is contracted-out by reference to the receiving scheme, the conditions specified in paragraphs 1 to 4 of Schedule 1 are satisfied, unless the transfer is from an appropriate policy in which case the condition set out in paragraph 5 of Schedule 1 must be satisfied;
  - (d) in the case of a transfer of the accrued rights of an earner from an appropriate policy, the receiving scheme does not make provision under section 12(2) and (3)(1) (revaluation of

- earnings factors for purposes of section 10: early leavers, etc.), or any analogous provision, in relation to the rights transferred where the effect would be to increase them at a different rate from that at which they would have been increased had the transfer not taken place, and
- (e) in the case of a transfer of liability for the payment of guaranteed minimum pensions to, or in respect of, a person who has become entitled to them, the transfer is from a scheme and the conditions set out in paragraph 6 of Schedule 1 are satisfied.

#### **Connected employer transfers of guaranteed minimum pensions**

4. A connected employer transfer may be made to a salary related contracted-out scheme subject to the conditions set out in regulation 3(c) and (e).

#### **Transfer payments in respect of guaranteed minimum pensions to money purchase contracted-out schemes and appropriate personal pension schemes**

5. A transfer payment may be made to a money purchase contracted-out scheme or an appropriate personal pension scheme if—

- (a) the earner consents in writing;
- (b) the transfer payment is to a money purchase contracted-out scheme—
- (i) the earner is employed by an employer who is a contributor to the receiving scheme, or
  - (ii) the earner has previously been a member of the receiving scheme;
- (c) the transfer payment is applied so as to provide money purchase benefits under the receiving scheme for, or in respect of, the earner, and
- (d) the transfer payment (whether or not it forms part of a larger payment in respect of both guaranteed minimum pensions and other rights) is of an amount at least equal to the cash equivalent of the earner's accrued rights to guaranteed minimum pensions, as calculated and verified in a manner consistent with regulations made under section 93(2) (calculation of cash equivalents).

#### **Transfer payments in respect of guaranteed minimum pensions to overseas schemes**

6. A transfer payment may be made to an overseas scheme if—
- (a) the earner consents in writing;
- (b) the trustees of the transferring scheme have taken reasonable steps to satisfy themselves that the earner has emigrated on a permanent basis and has entered employment to which the receiving scheme applies;
- (c) the transfer payment (whether or not it forms part of a larger payment in respect of both guaranteed minimum pensions and other rights) is of an amount at least equal to the cash equivalent of the earner's accrued rights to guaranteed minimum pensions, as calculated and verified in a manner consistent with regulations made under section 93;
- (d) the earner has acknowledged in writing that he accepts that the scheme to which the transfer payment is to be made may not be regulated in any way by the law of the United Kingdom and that as a consequence there may be no obligation under that law on the receiving scheme or its trustees or administrators to provide any particular value or benefit in return for the transfer payment, and

- (e) the trustees of the transferring scheme have taken reasonable steps to satisfy themselves that the earner has received a statement from the receiving scheme showing the benefits to be awarded in respect of the transfer payment and the conditions (if any) on which these could be forfeited or withheld.