
DRAFT STATUTORY INSTRUMENTS

2015 No.

The Judicial Pensions Regulations 2015

PART 7

Benefits for pension credit members

Entitlement to pension credit member's pension

83. A pension credit member (P) of this scheme is entitled to the immediate payment for life of a pension credit member's pension under this scheme if—

- (a) P has reached normal pension age;
- (b) the pension sharing order under which P is entitled to the pension credit has taken effect; and
- (c) P has claimed payment of the pension.

Claim for early payment

84.—(1) This regulation applies in relation to a pension credit member (P) who—

- (a) has reached normal minimum pension age; and
- (b) has not reached normal pension age under this scheme.

(2) P may claim early payment of a pension credit member's pension by notice to the scheme manager in a form required by the scheme manager.

(3) A claim for early payment—

- (a) must state whether P has opted to buy out the early payment reduction; and
- (b) must specify the date on which payment of the pension is claimed (“the claim date”).

(4) P is entitled to the immediate payment for life of a pension credit member's pension on the claim date if the scheme manager is reasonably satisfied that on that date the requirements of regulation 7(5) (early retirement or deferred retirement) of the Pension Sharing (Pension Credit Benefit) Regulations 2000⁽¹⁾ are met.

Annual rate of pension credit member's pension

85.—(1) The annual rate of a pension credit member's pension is calculated by—

- (a) taking the amount of credited pension specified in the pension credit member's account;
- (b) subtracting the early payment reduction (if any) specified in that account in relation to that amount; and
- (c) subtracting the commutation amount (if any) specified in that account in relation to that amount.

(1) [S.I. 2000/1054](#).

(2) If a member opts to buy out the early payment reduction, as provided for by regulation 86, the annual rate of pension is calculated without subtracting the early payment reduction.

Option to buy out early payment reduction

86.—(1) A pension credit member who claims early payment of a pension credit member's pension may opt to buy out the early payment reduction.

(2) The option may only be exercised by notice to the scheme manager in a form required by the scheme manager.

(3) The scheme manager must prepare actuarial tables setting out the cost of buying out the early payment reduction.

(4) The pension credit member must meet the cost by making a payment to this scheme calculated in accordance with actuarial tables prepared in accordance with paragraph (3).

Reduction in pension debit member's benefits

87. The benefits to which a pension debit member is entitled under this Part are subject to the reduction to be made under section 31 (reduction of benefit) of WRPA 1999.

Pension credit member's rights

88.—(1) If regulation 7(5) (early retirement or deferred retirement) of the Pension Sharing (Pension Credit Benefit) Regulations 2000 (early retirement or deferred retirement) applies, the scheme manager must be reasonably satisfied that the requirements of that regulation have been met.

(2) Benefits that are attributable (directly or indirectly) to a pension credit may not be aggregated with any other benefit to which a pension credit member is entitled under this scheme.

(3) If a pension credit member is a dual capacity member, the benefits that are payable to or in respect of the member in each of the member's capacities are treated separately for the purposes of these Regulations.

Option for pension credit member to commute part of pension

89.—(1) A pension credit member who becomes entitled to payment of a pension credit member's pension under this scheme may opt to exchange part of the pension for a lump sum.

(2) The option under this regulation may only be exercised—

(a) by notice to the scheme manager in a form required by the scheme manager; and

(b) before the first payment of the pension is made.

(3) If a pension credit member exercises the option under this regulation, for every £1 by which the amount of the member's annual rate of pension is reduced, the member must be paid a lump sum of £12.

(4) A pension credit member may not exchange pension for a lump sum under this regulation to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 (pension schemes etc.) of FA 2004.

(5) This regulation does not apply if the pension debit member from whose rights the pension is derived received a lump sum under Part 7 before the date on which the pension sharing order takes effect.

Option for pension credit member to commute whole pension (serious ill-health)

90.—(1) This regulation applies to a pension credit member who can show, to the satisfaction of the scheme manager, that they have a life-expectancy of less than 12 months.

(2) The pension credit member may opt to exchange the whole of the pension credit member’s pension under this scheme for a lump sum.

(3) The option under this regulation (“this option”) may only be exercised—

- (a) by notice to the scheme manager in a form required by the scheme manager; and
- (b) before the first payment of the pension is made.

(4) The lump sum—

- (a) is an amount equal to the total annual amount of the pension credit member’s pension, multiplied by 5; and
- (b) must be paid to the pension credit member as soon as is reasonably practicable after this option is exercised.

(5) In this regulation, “total annual amount” in relation to a pension credit member’s pension means the total of—

- (a) the annual rate of pension to which the member would be entitled if they had not exercised this option, calculated as at the date this option is exercised, but without subtracting the early payment reduction (if any); and
- (b) the amount of increase (if any) in the annual rate of that pension under PIA 1971 calculated as at that date.