Pensions Act 2008

2008 CHAPTER 30

PART 3

PENSION COMPENSATION

CHAPTER 1

PENSION COMPENSATION ON DIVORCE ETC

111 Creation of pension compensation debits and credits

(1) On the application of this section—

(a) the transferor's shareable rights to PPF compensation that derive from rights under the specified scheme become subject to a debit of the appropriate amount, and

(b) the transferee becomes entitled to a credit of that amount as against the Board.

(2) For the purposes of subsection (1) "the appropriate amount" means—

(a) where the relevant order or provision specifies a percentage to be transferred, that percentage of the cash equivalent of the relevant compensation on the valuation day;

(b) where the relevant order or provision specifies an amount to be transferred, the lesser of—

(i) that specified amount, and

(ii) the cash equivalent of the relevant compensation on the valuation day.

(3) For the purposes of subsection (2) "the relevant compensation" means the payments or future payments to which, immediately before the transfer day, the transferor is entitled under the pension compensation provisions by virtue of the transferor's shareable rights to PPF compensation that derive from rights under the specified scheme.

(4) The Secretary of State may by regulations provide for any description of payment to be disregarded for the purposes of subsection (3).

(5) For the purposes of this section—

"the specified scheme" means the pension scheme specified in the relevant order or provision;

"the valuation day" means such day within the implementation period for the credit under subsection (1)(b) as the Board may specify by notice in writing to the transferor and transferee.

(6) The credit to which the transferee becomes entitled under subsection (1)(b) is referred to in this Chapter as a "pension compensation credit".