

---

STATUTORY INSTRUMENTS

---

**1988 No. 523**

**PENSIONS**

**The Occupational Pension Schemes (Transfer Values) Amendment Regulations 1988**

<i>Made</i>	- - - -	<i>16th March 1988</i>
<i>Laid before Parliament</i>		<i>16th March 1988</i>
<i>Coming into force</i>	- -	<i>6th April 1988</i>

The Secretary of State for Social Services, in exercise of the powers conferred upon him by section 168(1) of, and Schedule 20 to, the Social Security Act 1975(1) and paragraph 12(2C) of Schedule 1A to the Social Security Pensions Act 1975(2) and of all other powers enabling him in that behalf, by this instrument, which is made before the end of a period of 12 months from the commencement of the enactment under which it is made, makes the following Regulations:—

**Citation and commencement**

1. These Regulations may be cited as the Occupational Pension Schemes (Transfer Values) Amendment Regulations 1988 and shall come into force on 6th April 1988.

**Amendment of the Occupational Pension Schemes (Transfer Values) Regulations 1985**

2. At the beginning of regulation 2A of the Occupational Pension Schemes (Transfer Values) Regulations 1985(3) there shall be inserted the words “Subject to regulation 2C,” and after regulation 2B of those Regulations there shall be inserted the following regulation —

**“Right to further cash equivalent on termination of employment**

**2C.—**(1) This regulation applies to a case where regulation 2A of these Regulations has operated to reduce the cash equivalent to which a member acquired a right under paragraph 12 on termination of his pensionable service and subsequently his employment in employment to which the scheme applies terminates on a date which is at least one year

- 
- (1) 1975 c. 14. See definitions of “prescribed” and “regulations” in Schedule 20. Section 168(1) applies, by virtue of section 66(2) of the Social Security Pensions Act 1975 (c. 60), to the exercise of certain powers conferred by that Act.
- (2) 1975 c. 60. Schedule 1A was inserted by the Social Security Act 1985 (c. 53), Schedule 1, paragraph 3. Sub-paragraphs (2A) and (2B) were inserted into paragraph 12 of that Schedule by the Social Security Act 1986 (c. 50), Schedule 10, paragraph 30, and sub-paragraph (2C) was inserted by the Social Security Act 1988 (c. 7), Schedule 2, paragraph 3.
- (3) S.I. 1985/1931; regulation 2 was amended by S.I. 1986/2171, and was further amended, and regulations 2A and 2B were inserted, by S.I. 1987/1107.

earlier than the date on which he would attain the age which is the normal pension age for that scheme.

(2) In a case to which this regulation applies a right at the relevant date to the cash equivalent of any part of the benefits specified in paragraph 12(1) which, but for the operation of regulation 2A of these Regulations, he would have on termination of his pensionable service in employment to which the scheme applies shall accrue to the member on the date when that employment terminates and shall be valued accordingly.

(3) In relation to any case to which this regulation applies there shall be substituted for the definitions of “relevant date” in paragraph 12(2) and of “the last option date” in paragraph 15(2) the following definitions —

“relevant date” means the date when the member’s employment in employment to which the scheme applies terminates or the date of the relevant application, whichever is the later, and

“the last option date” means the date which falls —

- (a) one year before the date on which he attains normal pension age; or
  - (b) six months after the date when his employment in employment to which the scheme applies terminates,
- whichever is the later.”.

Signed by authority of the Secretary of State for Social Services.

16 March 1988

*Nicholas Scott*  
Minister of State,  
Department of Health and Social Security

---

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations are made under provisions of the Social Security Pensions Act 1975 (“the 1975 Act”) inserted by the Social Security Act 1988 before the end of a period of 12 months from the commencement of those provisions as inserted. Consequently, by virtue of section 61(5) of the Social Security Act 1986 (“the 1986 Act”), the provisions of section 61(2) and (3) of the 1975 Act (as amended by section 86(1) of, and paragraph 94 of Schedule 10 to, the 1986 Act) which requires reference to the Occupational Pensions Board of, and a report by the Board on, proposals to make regulations for certain purposes of both Acts, do not apply to them.

Part II of Schedule 1A to the 1975 Act provides that, if the pensionable service of a member of an occupational pension scheme terminates at least one year before he attains the scheme’s normal pension age, he acquires a right to a cash equivalent of the benefits which have accrued to him, which may be used only in certain specified ways. Regulation 2A of the Occupational Pension Schemes (Transfer Values) Regulations 1985 (as inserted by the Occupational Pension Schemes (Transfer Values) Amendment Regulations 1987) provides that if, and for so long as, the member continues in employment to which the scheme relates after termination of his pensionable service, that right is restricted to that part of the benefits which have accrued since 6th April 1988. These Regulations insert a new regulation 2C into the 1985 Regulations which provides that, if in such a case the member’s employment subsequently terminates at least one year before he attains normal pension age, he then acquires a right to a further cash equivalent in respect of the benefits which accrued to him before 6th April 1988, which is to be valued at the date of such termination or the date when he applies for the cash equivalent, whichever is the later.