
STATUTORY INSTRUMENTS

1996 No. 1172

Occupational Pension Schemes
(Contracting-out) Regulations 1996

PART III

SALARY-RELATED CONTRACTED-OUT SCHEMES

Trivial commutation of benefits derived from section 9(2B) rights.

20. For the purposes of section 12C(1)(c) of the 1993 Act (regulations may prohibit or restrict the payment of a lump sum instead of a pension under a relevant scheme except in prescribed circumstances or on prescribed conditions), any benefits which have accrued in respect of an earner's section 9(2B) rights under a scheme may not be paid as a lump sum instead of a pension unless—

- (a) such benefits are payable under the rules of the scheme;
- (b) the aggregate of all benefits including benefits in respect of section 9(2B) rights payable to the earner (or his widow or widower) does not exceed £260 per annum; and
- (c) the Secretary of State is satisfied that the scheme provides a reasonable basis for ascertaining the sum to be paid on commutation.