
STATUTORY INSTRUMENTS

1996 No. 1537

PENSIONS

The Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996

<i>Made</i>	- - - -	<i>12th June 1996</i>
<i>Laid before Parliament</i>		<i>19th June 1996</i>
<i>Coming into force</i>	- -	<i>6th April 1997</i>

The Secretary of State for Social Security, in exercise of the powers conferred upon him by sections 9(3) and (5), 10(2) and (3), 27(3), 28(1A) and (2) to (5), 28A(3) and (5), 29(1), (3) and (4), 32, 155, 181(1), 182(2) and (3) and 183(3) of the Pension Schemes Act 1993^{M1} and of all other powers enabling him in that behalf, after agreement with the Occupational Pensions Board that certain proposals within these Regulations need not be referred to it, by this instrument, which otherwise contains regulations made for the purposes of consolidating regulations revoked herein and regulations which are consequential upon Part III of the Pensions Act 1995^{M2} and are made before the end of the period of 6 months beginning with the coming into force of the enactments of that Part by virtue of which they are made^{M3}, hereby makes the following regulations:

Marginal Citations

- M1** 1993 c.48 as amended by [Part III of the Pensions Act 1995 \(c.26\)](#). See definition in section 181(1) of “prescribed” and “regulations”.
- M2** 1995 c.26.
- M3** See section 185 of the Pension Schemes Act 1993 and section 173 of the [Social Security Administration Act 1992 \(c.5\)](#), under which the requirement to consult does not apply where regulations are made only for the purpose of consolidating other regulations revoked by them or are consequential upon a specific enactment and are made before the end of the period of six months beginning with the coming into force of that enactment.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 and shall come into force on 6th April 1997.

(2) ^{F1F2F3}... In these Regulations, unless the context otherwise requires—
“the 1993 Act” means the Pension Schemes Act 1993;

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F4
...

“child benefit” has the same meaning as in the Social Security Contributions and Benefits Act 1992
M4.

[^{F5}“income withdrawal” has the meaning given by paragraph 7 of Schedule 28 to the Finance Act 2004;]

[^{F5}“lifetime annuity” has the meaning given by paragraph 3 of Schedule 28 to the Finance Act 2004;]

[^{F6}“marital or civil partnership status”, in relation to a person, means whether that person has previously formed a marriage or a civil partnership and, if so, whether that marriage or civil partnership has ended;]

“member” means member of an occupational pension scheme or a personal pension scheme;

“money purchase contracted-out scheme” has the same meaning as in section 8(1)(a)(ii) of the 1993 Act;

“normal pension age” has the meaning given in section 180 of the 1993 Act;

“pensionable age” has the meaning given by the rules in paragraph 1 of Part I of Schedule 4 to the Pensions Act 1995;

“principal appointed day” means the day designated as the principal appointed day for the purposes of Part III of the Pensions Act 1995;

“scheme” means an occupational pension scheme or a personal pension scheme; ^{F7}...

[^{F5}“scheme pension” has the meaning given by paragraph 2 of Schedule 28 to the Finance Act 2004; and]

[^{F5}“the scheme pension purchase price” has the meaning given by paragraph 3(7B) of Schedule 29 to the Finance Act 2004;]

[^{F8}“section 9(2B) rights” are—

- (a) rights to the payment of pensions and accrued rights to pensions (other than rights attributable to voluntary contributions) under a scheme contracted-out by virtue of section 9(2B) of the 1993 Act, so far as attributable to an earner’s service in contracted-out employment on or after the principal appointed day; and
- (b) where a transfer payment has been made to such a scheme, any rights arising under the scheme as a consequence of that payment which are derived directly or indirectly from—
 - (i) such rights as are referred to in sub-paragraph (a) under another scheme contracted-out by virtue of section 9(2B) of that Act; or
 - (ii) protected rights under another occupational pension scheme or under a personal pension scheme attributable to payments or contributions in respect of ^{F9} ... employment on or after the principal appointed day;]^{F10} and

“specified pension or annuity” means any pension or annuity which became a pension or annuity in payment before 6th April 2005.]

(3) In these Regulations, except in so far as the context otherwise requires, any reference—

- (a) to a regulation is to the regulation in these Regulations bearing that number;
- (b) in a regulation to a numbered paragraph is to the paragraph of that regulation bearing that number; and
- (c) in a paragraph to a lettered sub-paragraph is to the sub-paragraph of that paragraph bearing that letter.

F1 Reg. 1(2) revoked in part (6.4.2012) by S.I. 2011/1245, art. 1(2)(a), 7(a)

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- F2** Reg. 1(2) revoked in part (6.4.2012) by S.I. 2011/1246, art. 1(2)(a), 10(a)
- F3** Reg. 1(2) revoked in part (6.4.2013) by The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) Order 2011 (S.I. 2011/1246), arts. 1(2)(b), **26(a)**
- F4** Words in reg. 1(2) omitted (1.10.2008) by virtue of Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050), reg. 1(1), **Sch. 2 para. 2(a)**
- F5** Words in reg. 1(2) inserted (6.4.2007) by Taxation of Pension Schemes (Protected Rights and Pension Commencement Lump Sums) (Amendment) Order 2007 (S.I. 2007/829), arts. 1, **4(a)**
- F6** Words in reg. 1(2) inserted (5.12.2005) by Civil Partnership (Contracted-out Occupational and Appropriate Personal Pension Schemes) (Surviving Civil Partners) Order 2005 (S.I. 2005/2050), art. 1(3), **Sch. 2 para. 26**
- F7** Word in reg. 1(2) omitted (6.4.2005) by virtue of Personal and Occupational Pension Schemes (Indexation and Disclosure of Information) (Miscellaneous Amendments) Regulations 2005 (S.I. 2005/704), regs. 1(2), **3(a)**
- F8** Words in reg. 1(2) substituted (6.4.1997) by The Personal and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 1997 (S.I. 1997/786), reg. 1, **Sch. 1 para. 9(2)**
- F9** Words in reg. 1(2) deleted (30.12.1999) by The Personal and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 1999 (S.I. 1999/3198), regs. 1(1), **12**
- F10** Words in reg. 1(2) inserted (6.4.2005) by Personal and Occupational Pension Schemes (Indexation and Disclosure of Information) (Miscellaneous Amendments) Regulations 2005 (S.I. 2005/704), regs. 1(2), **3(b)**

Marginal Citations

- M4** 1992 c.4. See Part IX of that Act.

Manner of calculation and verification of protected rights

F112.

- F11** Reg. 2 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **7(b)**

Options under section 10(2) and (3) of the 1993 Act for schemes to designate which rights are protected rights

F123.

- F12** Reg. 3 revoked (6.4.2012) by The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) Order 2011 (S.I. 2011/1246), arts. 1(2)(a), **10(b)**

Conditions applying to pensions and annuities which give effect to protected rights

F134.

- F13** Reg. 4 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **7(c)**

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Circumstances in which and periods for which pension or annuity is to be paid to widow or widower after being paid to member

^{F14}5.

F14 Reg. 5 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **7(d)**

Interim arrangements

^{F15}6.

F15 Reg. 6 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **7(e)**

Payments made under interim arrangements

^{F16}7.

F16 Reg. 7 omitted (6.4.2006) by virtue of Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), arts. 1, **21(2)**

Giving effect to protected rights by the provision of a lump sum

^{F17}8.

F17 Reg. 8 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **7(f)**

Suspension and forfeiture of payments giving effect to protected rights

^{F18}9.

F18 Reg. 9 revoked (6.4.2012) by The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) Order 2011 (S.I. 2011/1246), arts. 1(2)(a), **10(c)**

Choice of insurance company by annuitant

^{F19}10.

F19 Reg. 10 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **7(g)**

Insurance companies that may provide protected rights by way of annuities

^{F20}11.

F20 Reg. 11 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), 7(h)

Death of member before effect given to his protected rights

^{F21}12.

F21 Reg. 12 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), 7(i)

Death before effect given to protected rights: interim arrangements for [^{F22}widow, widower or surviving civil partner]

^{F23}13.

F22 Words in reg. 13 substituted (5.12.2005) by Civil Partnership (Contracted-out Occupational and Appropriate Personal Pension Schemes) (Surviving Civil Partners) Order 2005 (S.I. 2005/2050), art. 1(3), **Sch. 2 para. 32(a)**

F23 Reg. 13 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), 7(j)

Enforceable entitlement after death of member

^{F24}14.

F24 Reg. 14 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), 7(k)

Further requirements in respect of giving effect to protected rights

^{F25}15.

F25 Reg. 15 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), 7(l)

Personal pension schemes—notifications to the Secretary of State

16.—^{F26}(1)

^{F27}(2)

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- F26** Reg. 16(1) revoked (6.4.2013) by The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) Order 2011 (S.I. 2011/1246), arts. 1(2)(b), **26(b)**
- F27** Reg. 16(2) revoked (6.4.2012) by The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) Order 2011 (S.I. 2011/1246), arts. 1(2)(a), **10(d)**

Tax-exemption and tax-approval

^{F28}**17.**

- F28** Reg. 17 revoked (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **7(m)**

Revocations

18. The Regulations set out in column (1) of the Schedule are revoked to the extent mentioned in column (3) of that Schedule.

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

Oliver Heald
Parliamentary Under-Secretary of State,
Department of Social Security

12th June 1996

SCHEDULE

Regulation 18

REVOCATIONS

Regulations revoked	References	Extent of revocation
The Personal and Occupational Pension Schemes (Protected Rights) Regulations 1987	S.I. 1987/1117	The whole of the Regulations.
The Personal and Occupational Pension Schemes (Tax Approval and Miscellaneous Provisions) Regulations 1988	S.I. 1988/474	Regulation 9.
The Personal and Occupational Pension Schemes (Amendments)(No.2) Regulations 1990	S.I. 1990/1142	Regulation 7.
The Occupational and Personal Pension Schemes (Miscellaneous Amendments) Regulations 1992	S.I. 1992/1531	Regulations 25 and 26.
The Occupational and Personal Pension Schemes (Consequential Amendments) Regulations 1994	S.I. 1994/1062	Regulation 2 insofar as it relates to the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1987 and paragraph 19 of Schedule 2.
The Occupational and Personal Pension Schemes (Miscellaneous Amendments) Regulations 1995	S.I. 1995/35	Regulation 6.
The Personal and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 1996	S.I. 1996/776	Regulation 3.

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 (“the Regulations”) consolidate the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1987 with amendments and in addition make minor and drafting amendments. The Regulations also make provisions which are consequential upon Part III of the Pensions Act 1995 (c.26) and are made before the end of the period of six months beginning with the coming into

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force of that Part and as a consequence there is no requirement to consult. As regards the other regulations, the Occupational Pensions Board has agreed that proposals to make regulations need not be referred to it.

The Regulations prescribe the manner of calculation and verification of protected rights (regulation 2); the rights which a scheme may designate as protected rights, in addition to those so designated by the Pension Schemes Act 1993 (c.48) (regulation 3); the conditions which are to apply to pensions and annuities which give effect to protected rights (regulation 4); the circumstances in which and periods for which a pension or annuity is to be paid to a widow or widower after a scheme member's death (regulation 5); the conditions which are to apply to payments under an interim arrangement (regulation 6); the requirements which interim arrangements must satisfy (regulation 7); the circumstances in which a lump sum benefit may be provided (regulation 8); the circumstances in which protected rights may be surrendered or forfeited (regulation 9); the manner in which and the period within which an insurance company may be chosen by an annuitant (regulation 10); the conditions that an insurance company must satisfy if it is to provide an annuity which is to give effect to protected rights (regulation 11); and the provision that is to be made if a scheme member dies before effect is given to his protected rights (regulations 12 and 13). Regulation 14 requires that a scheme's provision for giving effect to the protected rights of a member who has died must be such that the person entitled to any payment giving effect to those rights must be able to enforce that entitlement; and regulation 15 requires that a scheme should not, in offering pensions which are to give effect to protected rights, discriminate on grounds of sex or marital status except as permitted by the regulation.

Regulation 16 provides that, when effect has been given to protected rights under a personal pension scheme, certain information must be given to the Secretary of State; and regulation 17 defines the meaning of tax-exemption and tax-approval.

Revocations are made by regulation 18 and the Schedule.

An assessment of the compliance cost of the measures arising from the Pensions Act 1995, including regulations, has been placed in the libraries of both Houses of Parliament. Copies can be obtained by post from the Department of Social Security, 11th Floor, Adelphi, 1-11 John Adam Street, London WC2N 6HT.

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Changes and effects yet to be applied to :

- reg.1 defn(s). revoked by [S.I. 1999/3198 reg.12](#)
- reg. 1(2) words substituted by [S.I. 1997/786 Sch. 1 para. 9\(2\)](#)
- reg. 3(b) words substituted by [S.I. 1997/786 Sch. 1 para. 9\(3\)\(a\)](#)
- reg. 3(e) words substituted by [S.I. 1997/786 Sch. 1 para. 9\(3\)\(b\)](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

- Act cert. functs. trans. (pt.prosp.) by [1999 c. 2 s. 1\(2\)Sch.2](#)