
STATUTORY INSTRUMENTS

1996 No. 1847

**The Occupational Pension Schemes
(Transfer Values) Regulations 1996**

PART III

**^{F1} ... STATEMENTS OF ENTITLEMENT AND
CALCULATION OF TRANSFER VALUES**

Textual Amendments

- F1** Word in Pt. III omitted (6.4.2015) by virtue of [The Occupational and Personal Pension Schemes \(Transfer Values\) \(Amendment and Revocation\) Regulations 2015 \(S.I. 2015/498\)](#), regs. 1(2), **4(2)**

^{F2} ... statements of entitlement

6.—^{F3}(1) Subject to paragraph (1A), the guarantee date in relation to a statement of entitlement must be—

- (a) within the period of three months beginning with the date of the member's application ^{F4} ... for a statement of entitlement; or
- (b) where the trustees are unable to provide a statement of entitlement for reasons beyond their control within the period specified in sub-paragraph (a), within such longer period not exceeding six months beginning with the date of the member's application as they may reasonably require.]

^{F5}(1A) Where a relevant scheme has received an application, the guarantee date must be either—

- (a) within the period, or, where applicable, the longer period, set out in paragraph (1); or
- (b) within a period of three months beginning on the date on which the relevant direction ceases to have effect,

whichever ends later.

(1B) In paragraph (1A)—

^{F6} ...

“relevant scheme” means a scheme which either—

- (a) is the subject of a freezing order made under section 23 of the Pensions Act 2004 containing a relevant direction on the date it receives the application; or
- (b) becomes the subject of such a freezing order during the period, or, where applicable, the longer period, set out in paragraph (1); and

“relevant direction” means a direction under section 23(4)(g) of the Pensions Act 2004.]

^{F7}(1C) Where a member has transferrable rights in relation to two categories of benefits other than money purchase benefits, the trustees or managers must provide the member with a statement

of entitlement setting out a separate cash equivalent in relation to each of the categories of benefits, unless the member’s application relates to one of the categories of benefits only.]

(2) The guarantee date must be within the period of ten days (excluding Saturdays, Sundays, Christmas Day, New Year’s Day and Good Friday) ending with the date on which the statement of entitlement is provided to the member.

(3) A member who has made an application ^{F8}... for a statement of entitlement may not within a period of twelve months beginning on the date of that application make any further such application unless the rules of the scheme provide otherwise or the trustees allow the member to do so.

^{F9}(4)

[^{F10}(5) In this regulation, “application” means an application for a statement of entitlement made under section 93A(1) of the 1993 Act (right to statement of entitlement: benefits other than money purchase).]

Textual Amendments

- F2** Word in reg. 6 omitted (6.4.2015) by virtue of *The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498)*, regs. 1(2), **4(3)**
- F3** Reg. 6(1) substituted (1.10.2008) by *Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050)* , regs. 1(1) , **3**
- F4** Words in reg. 6(1)(a) omitted (6.4.2015) by virtue of *The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498)*, regs. 1(2), **4(4)(a)**
- F5** Reg. 6(1A)(1B) inserted (6.4.2005) by *Pensions Regulator (Freezing Orders and Consequential Amendments) Regulations 2005 (S.I. 2005/686)* , regs. 1(1) , **4(2)(b)**
- F6** Words in reg. 6(1B) omitted (6.4.2015) by virtue of *The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498)*, regs. 1(2), **4(4)(b)**
- F7** Reg. 6(1C) inserted (6.4.2015) by *The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498)*, regs. 1(2), **4(4)(c)**
- F8** Words in reg. 6(3) omitted (6.4.2015) by virtue of *The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498)*, regs. 1(2), **4(4)(d)**
- F9** Reg. 6(4) omitted (6.4.2015) by virtue of *The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498)*, regs. 1(2), **4(4)(e)**
- F10** Reg. 6(5) inserted (6.4.2015) by *The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498)*, regs. 1(2), **4(4)(f)**

Modifications etc. (not altering text)

- C1** Reg. 6(3) restricted (E.W.S.) (24.7.2014) by *The Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014 (S.I. 2014/1711)* , regs. 1(1) , **31** (with regs. 6 , 41 , 44(1) , 47(1) , 69(2) , 72(1) , 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2

Manner of calculation and verification of cash equivalents - general provisions

[^{F11} 7.—(1) Subject to paragraphs (4) and (7), cash equivalents are to be calculated and verified—

(a) by calculating the initial cash equivalent—

(i) for salary related benefits [^{F12}other than cash balance benefits in respect of which the available sum is not calculated by reference to final salary], in accordance with regulations 7A and 7B; ^{F13}...

- (ii) for [^{F14}cash balance benefits and money purchase benefits other than collective money purchase benefits, or]^{F15} in respect of which the available sum is not calculated by reference to final salary], in accordance with regulation 7C,
[^{F16}(iii) for collective money purchase benefits, in accordance with regulation 7ZC.]
and then making any reductions in accordance with regulation 7D; or
(b) in accordance with regulation 7E.

(2) The trustees must decide whether to calculate and verify the cash equivalent in accordance with paragraph (1)(a) or (b), but they can only choose paragraph (1)(b) if they have had regard to any requirement for consent to paying a cash equivalent which is higher than the amount calculated and verified in accordance with paragraph (1)(a).

(3) The trustees are responsible for the calculation and verification of cash equivalents and initial cash equivalents.

(4) Where a member, in relation to whom a cash equivalent is to be calculated and verified, is a member of a scheme modified by—

- (a) the British Coal Staff Superannuation Scheme (Modification) Regulations 1994; or
(b) the Mineworkers' Pension Scheme (Modification) Regulations 1994,

the cash equivalent of his bonus is to be calculated and verified by the trustees, having obtained the advice of the actuary, to reflect the fact that a reduced bonus, or no bonus, may become payable in accordance with the provisions governing the scheme in question.

(5) For the purposes of paragraph (4) “bonus” means any—

- (a) augmentation of his benefits; or
(b) new, additional or alternative benefits,

which the trustees of the scheme in question have applied to the member's benefits, or granted to him in accordance with the provisions governing that scheme, on the basis of findings as to that scheme's funding position.

(6) Paragraph (7) applies where the cash equivalent is calculated and verified in accordance with paragraph (1)(a).

[^{F17}(7) Where the cash equivalent relates to more than one of the benefits specified in paragraphs (1)(a)(i) to (1)(a)(iii), the initial cash equivalent is to be calculated—

- (a) for the portion falling within paragraph (1)(a)(i), in accordance with regulations 7A and 7B;
(b) for the portion falling within paragraph (1)(a)(ii), in accordance with regulation 7C; and
(c) for the portion falling within paragraph (1)(a)(iii), in accordance with regulation 7ZC.]

Textual Amendments

- F11** Regs. 7-7E substituted for reg. 7 and 8 (E.W.S.) (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), regs. 1(1), 4
- F12** Words in reg. 7(1)(a)(i) inserted (E.W.S.) (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **32(3)(a)** (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2
- F13** Word in reg. 7(1)(a)(i) omitted (1.8.2022) by virtue of [The Occupational Pension Schemes \(Collective Money Purchase Schemes\) \(Modifications and Consequential and Miscellaneous Amendments\) Regulations 2022 \(S.I. 2022/337\)](#), regs. 1(3), **3(4)(a)**

- F14** Words in reg. 7(1)(a)(ii) substituted (1.8.2022) by The Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/337), regs. 1(3), **3(4)(b)**
- F15** Words in reg. 7(1)(a)(ii) inserted (E.W.S.) (24.7.2014) by The Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014 (S.I. 2014/1711), regs. 1(1), **32(3)(b)** (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2
- F16** Reg. 7(1)(a)(iii) inserted (1.8.2022) by The Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/337), regs. 1(3), **3(4)(c)**
- F17** Reg. 7(7) substituted (1.8.2022) by The Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/337), regs. 1(3), **3(4)(d)**

Modifications etc. (not altering text)

- C2** Regs. 7-7C modified by SI 2000/1054 reg. 24(2)(c) (as substituted (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050), reg. 1(1), **Sch. 2 para. 7(c)**)
- C3** Regs. 7-7C modified by S.I. 2000/1048, reg. 3(3)(4)(8) (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), **2(4)(b), (c)**)
- C4** Regs. 7-7C modified by S.S.I. 2000/112, reg. 3(3)(4)(8) (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), **7(3)(b), (e)**)
- C5** Regs. 7-7C modified by S.I. 2000/1052, reg. 4 (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), **4(4)**)

Manner of calculation of initial cash equivalents for salary related benefits [^{F18}other than cash balance benefits not calculated by reference to final salary]

7A.—(1) For salary related benefits [^{F19}other than cash balance benefits in respect of which the available sum is not calculated by reference to final salary], the initial cash equivalent is to be calculated—

- (a) on an actuarial basis; and
- (b) in accordance with paragraph (2) and regulation 7B.

(2) The initial cash equivalent is the amount at the guarantee date which is required to make provision within the scheme for a member's accrued benefits, options and discretionary benefits.

(3) For the purposes of paragraph (2), the trustees must determine the extent—

- (a) of any options the member has which would increase the value of his benefits under the scheme;
- (b) of any adjustments they decide to make to reflect the proportion of members likely to exercise those options; and
- (c) to which any discretionary benefits should be taken into account, having regard to any established custom for awarding them and any requirement for consent before they are awarded.

Textual Amendments

- F11** Regs. 7-7E substituted for reg. 7 and 8 (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050), regs. 1(1), **4**

- F18** Words in reg. 7A inserted (E.W.S.) (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **32(4)(a)** (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2
- F19** Words in reg. 7A(1) inserted (E.W.S.) (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **32(4)(b)** (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2

Modifications etc. (not altering text)

- C3** [Regs. 7-7C](#) modified by S.I. 2000/1048, reg. 3(3)(4)(8) (as substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **2(4)(b)**, (c))
- C4** [Regs. 7-7C](#) modified by S.S.I. 2000/112, reg. 3(3)(4)(8) (as substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **7(3)(b)**, (e))
- C5** [Regs. 7-7C](#) modified by S.I. 2000/1052, reg. 4 (as substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(4)**)
- C6** Reg. 7A(2) modified by SI 2000/1054 reg. 24(2)(e) (as substituted (E.W.S.) (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 7(c)**)
- C7** Reg. 7A(2) modified by SI 2000/1052 reg. 4(4)(d) (as substituted (E.W.S.) (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 5(b)**)

[^{F20}Initial cash equivalents for salary related benefits [^{F21}other than cash balance benefits not calculated by reference to final salary]: assumptions and guidance

7B.—(1) The trustees must calculate the initial cash equivalent for salary related benefits [^{F22}other than cash balance benefits in respect of which the available sum is not calculated by reference to final salary]—

- (a) by using the assumptions determined under this regulation; and
- (b) where the scheme falls within paragraph (6), in accordance with the guidance referred to in that paragraph.]

(2) Having taken the advice of the actuary, the trustees must determine the economic, financial and demographic assumptions.

(3) In determining the demographic assumptions, the trustees must have regard to—

- (a) the main characteristics of the members of the scheme; or
- (b) where the members of the scheme do not form a large enough group to allow demographic assumptions to be made, the characteristics of a wider population sharing similar characteristics to the members.

(4) [^{F23}Except where the scheme falls within paragraph (6), the trustees must] have regard to the scheme's investment strategy when deciding what assumptions will be included in calculating the discount rates in respect of the member.

(5) The trustees must determine the assumptions under this regulation with the aim that, taken as a whole, they should lead to the best estimate of the initial cash equivalent.

[^{F24}(6) A scheme falls within this paragraph if it is a public service pension scheme in respect of which guidance has been prepared, and from time to time revised, by the Treasury for calculating the discount rates.]

Textual Amendments

- F11** Regs. 7-7E substituted for reg. 7 and 8 (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050), regs. 1(1), **4**
- F20** Reg. 7B(1) substituted (13.10.2008) by Occupational and Personal Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/2450), regs. 1, **3(2)(a)**
- F21** Words in reg. 7B inserted (E.W.S.) (24.7.2014) by The Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014 (S.I. 2014/1711), regs. 1(1), **32(5)(a)** (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2
- F22** Words in reg. 7B(1) inserted (E.W.S.) (24.7.2014) by The Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014 (S.I. 2014/1711), regs. 1(1), **32(5)(b)** (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2
- F23** Words in reg. 7B(4) substituted (E.W.S.) (13.10.2008) by Occupational and Personal Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/2450), regs. 1, **3(2)(b)**
- F24** Reg. 7B(6) inserted (E.W.S.) (13.10.2008) by Occupational and Personal Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/2450), regs. 1, **3(2)(c)**

Modifications etc. (not altering text)

- C3** Regs. 7-7C modified by S.I. 2000/1048, reg. 3(3)(4)(8) (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), **2(4)(b)**, (c))
- C4** Regs. 7-7C modified by S.S.I. 2000/112, reg. 3(3)(4)(8) (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), **7(3)(b)**, (e))
- C5** Regs. 7-7C modified by S.I. 2000/1052, reg. 4 (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), **4(4)**)

Manner of calculation of initial cash equivalents for money purchase benefits [^{F25}(other than collective money purchase benefits)] [^{F26}and cash balance benefits not calculated by reference to final salary]

7C.—(1) For [^{F27}cash balance benefits in respect of which the available sum is not calculated by reference to final salary and] money purchase benefits [^{F28}other than collective money purchase benefits], the initial cash equivalent is to be calculated in accordance with this regulation.

(2) The initial cash equivalent is the realisable value [^{F29}at the date of calculation] of any benefits to which the member is entitled.

(3) The trustees must calculate that realisable value—

- (a) in accordance with the scheme rules; and
- (b) in a manner which is—
 - (i) approved by the trustees; and
 - (ii) consistent with [^{F30}Chapter 1 of Part 4ZA] of the 1993 Act.

(4) [^{F31}The realisable value must include—

- (a) for money purchase benefits, any increases to the benefits resulting from a payment of interest made in accordance with the scheme rules; or
- (b) for cash balance benefits—
 - (i) any interest (including notional interest) which, in accordance with the scheme rules, applies to the available sum in respect of which the benefits are calculated;

- (ii) any guarantee which, in accordance with the scheme rules, applies to the available sum in respect of the benefits or to the contributions made by the member or by another person in respect of the member;
- (iii) any options the member has which would increase the value of the member's benefits under the scheme (adjusted to reflect the proportion of members the trustees determine are likely to exercise those options); and
- (iv) any discretionary benefits which the trustees determine should be taken into account, having regard to any established custom for awarding the benefits and any requirement for consent before they are awarded.]

Textual Amendments

- F11** Regs. 7-7E substituted for reg. 7 and 8 (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050), regs. 1(1), 4
- F25** Words in reg. 7C heading inserted (1.8.2022) by The Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/337), regs. 1(3), 3(5)
- F26** Words in reg. 7C inserted (E.W.S.) (24.7.2014) by The Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014 (S.I. 2014/1711), regs. 1(1), 32(6)(a) (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2
- F27** Words in reg. 7C(1) inserted (E.W.S.) (24.7.2014) by The Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014 (S.I. 2014/1711), regs. 1(1), 32(6)(b) (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2
- F28** Words in reg. 7C(1) inserted (1.8.2022) by The Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/337), regs. 1(3), 3(6)
- F29** Words in reg. 7C(2) inserted (E.W.S.) (13.10.2008) by Occupational and Personal Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/2450), regs. 1, 3(3)
- F30** Words in reg. 7C(3)(b)(ii) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), 4(5)
- F31** Reg. 7C(4) substituted (24.7.2014) by The Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014 (S.I. 2014/1711), regs. 1(1), 32(6)(c) (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2

Modifications etc. (not altering text)

- C3** Regs. 7-7C modified by S.I. 2000/1048, reg. 3(3)(4)(8) (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), 2(4)(b), (c))
- C4** Regs. 7-7C modified by S.S.I. 2000/112, reg. 3(3)(4)(8) (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), 7(3)(b), (e))
- C5** Regs. 7-7C modified by S.I. 2000/1052, reg. 4 (as substituted (6.4.2016) by The Pension Sharing (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/289), regs. 1(2), 4(4))

[^{F32}Manner of calculation of initial cash equivalents for collective money purchase benefits

7ZC.—(1) For collective money purchase benefits, the initial cash equivalent is the realisable value of the member's share at the date of calculation of the available assets of the collective money purchase scheme, and is to be calculated—

- (a) on an actuarial basis;

- (b) using assumptions determined in accordance with this regulation; and
 - (c) in accordance with the scheme rules, to the extent that they are consistent with subparagraphs (a) and (b).
- (2) Having taken the advice of the actuary, the trustees must—
- (a) determine the economic, financial and demographic assumptions; and
 - (b) calculate the initial cash equivalent by using the assumptions so determined.
- (3) In determining the demographic assumptions, the trustees must have regard to—
- (a) the main characteristics of the members of the scheme; or
 - (b) where the members of the scheme do not form a large enough group to allow demographic assumptions to be made, the characteristics of a wider population sharing similar characteristics to the members.
- (4) The trustees must have regard to the scheme’s investment strategy when deciding what assumptions will be included in calculating the discount rates in respect of the member.
- (5) The trustees must determine the assumptions under this regulation with the aim that, taken as a whole, they should lead to the best estimate of the initial cash equivalent.
- (6) In this regulation, “the available assets of the collective money purchase scheme” has the meaning given by section 2(2) of the Pension Schemes Act 2021 “the available assets of the scheme”.]

Textual Amendments

- F32** Reg. 7ZC inserted (1.8.2022) by [The Occupational Pension Schemes \(Collective Money Purchase Schemes\) \(Modifications and Consequential and Miscellaneous Amendments\) Regulations 2022 \(S.I. 2022/337\)](#), regs. 1(3), **3(7)**

Reductions to initial cash equivalents

7D.—(1) [^{F33}For salary-related benefits] an initial cash equivalent may, or as the case may be must, be reduced in accordance with Schedule 1A (reductions in initial cash equivalents).

[^{F34}(2) For the purposes of paragraph (1) the trustees may—

- (a) request an insufficiency report from the actuary in accordance with Schedule 1B (insufficiency reports); or
- (b) treat the actuary’s last relevant GN11 report as an insufficiency report.

(3) For money purchase benefits, an initial cash equivalent may, or as the case may be, must be reduced in accordance with [^{F35}paragraphs 7, 10, 11], 14 and 15 of Schedule 1A (reductions in initial cash equivalents).]

Textual Amendments

- F11** Regs. 7-7E substituted for reg. 7 and 8 (E.W.S.) (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), regs. 1(1), **4**
- F33** Words in reg. 7D(1) inserted (E.W.S.) (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **32(7)(a)** (with regs. 6, 41, 44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2
- F34** Reg. 7D(2)(3) substituted (24.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), regs. 1(1), **32(7)(b)** (with regs. 6, 41,

44(1), 47(1), 69(2), 72(1), 76(1)); coming into force immediately after s. 29 of 2011 c 19 - see S.I. 2014/1683, art. 2

F35 Words in reg. 7D(3) substituted (6.4.2015) by [The Occupational and Personal Pension Schemes \(Transfer Values\) \(Amendment and Revocation\) Regulations 2015 \(S.I. 2015/498\)](#), regs. 1(2), **4(6)**

Alternative manner of calculating and verifying cash equivalents

7E.—(1) This regulation applies where the trustees have decided to calculate and verify the cash equivalent in accordance with regulation 7(1)(b).

(2) The cash equivalent is to be calculated and verified in such manner as may be approved by the trustees.

(3) The cash equivalent must be higher than it would be if it was calculated and verified in accordance with regulation 7(1)(a).

(4) For the purposes of calculating and verifying the cash equivalent, the trustees may request an insufficiency report from the actuary in accordance with Schedule 1B.

(5) The trustees may treat the actuary's last relevant GN11 report as an insufficiency report.

Textual Amendments

F11 Regs. 7-7E substituted for reg. 7 and 8 (E.W.S.) (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), regs. 1(1), **4**

Modifications etc. (not altering text)

C8 Regs. 7E(1)-(3) modified by S.I. 2000/1052, reg. 4 (as substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(4)**)

C9 Regs. 7E(1)-(3) modified by S.I. 2000/1048, reg. 3(3)(4)(8) (as substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **2(4)(b)**, (c))

C10 Regs. 7E(1)-(3) modified by S.S.I. 2000/112, reg. 3(3)(4)(8) (as substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **7(3)(b)**, (e))

Increases and reductions of [^{F36}cash equivalents shown in the statement of entitlement]

9.—[^{F37}(1) This regulation applies to a cash equivalent in respect of transferrable rights in relation to categories of benefits other than money purchase benefits where a statement of entitlement has been sent to a member of a salary related scheme by the trustees of the scheme.]

(2) Where all or any of the benefits to which a [^{F38}cash equivalent shown in the statement of entitlement] relates have been surrendered, commuted or forfeited before the date on which the trustees do what is needed to carry out what the member requires, that part of the [^{F38}cash equivalent shown in the statement of entitlement] which relates to the benefits so surrendered, commuted or forfeited shall be reduced to nil.

(3) Where a scheme has on or after the guarantee date begun to be wound up, a [^{F39}cash equivalent shown in the statement of entitlement] may be reduced to the extent necessary for the scheme to comply with [^{F40}the winding up provisions (as defined in section 73B(10)(a) of the 1995 Act) and regulations made under those provisions].

(4) If, by virtue of regulations made [^{F41}under section 73B(4)(b)(i) of the 1995 Act by virtue of section 73B(5) of that Act, the winding up provisions (as so defined) apply] to a section of a scheme as if that section were a separate scheme, paragraph (3) shall apply as if that section were a separate scheme and as if the references therein to a scheme were accordingly references to that section.

(5) If a member's [^{F42}cash equivalent shown in the statement of entitlement] falls short of or exceeds the amount which it would have been had it been calculated in accordance with [^{F43}Chapter 1 of Part 4ZA] of the 1993 Act and these Regulations it shall be increased or reduced to that amount.

(6) In a case where two or more of the paragraphs of this regulation fall to be applied to a calculation, they shall be applied in the order in which they occur in this regulation except that where paragraph (5) falls to be applied it shall be applied as at the date on which it is established that the [^{F44}cash equivalent shown in the statement of entitlement] falls short of or exceeds the proper amount.

Textual Amendments

- F11** Regs. 7-7E substituted for reg. 7 and 8 (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050), regs. 1(1), **4**
- F36** Words in reg. 9 substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(7)**
- F37** Reg. 9(1) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(8)(a)**
- F38** Words in reg. 9(2) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(8)(b)**
- F39** Words in reg. 9(3) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(8)(b)**
- F40** Words in reg. 9(3) substituted (6.4.2005) by Occupational Pension Schemes (Winding Up etc.) Regulations 2005 (S.I. 2005/706) , regs. 1(2) , **15(7)** (with reg. 15(11))
- F41** Words in reg. 9(4) substituted (6.4.2005) by Occupational Pension Schemes (Winding Up etc.) Regulations 2005 (S.I. 2005/706) , regs. 1(2) , **15(8)** (with reg. 15(11))
- F42** Words in reg. 9(5) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(8)(b)**
- F43** Words in reg. 9(5) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(8)(c)**
- F44** Words in reg. 9(6) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(8)(b)**

Increases of cash equivalents on late payment

10.—(1) Subject to paragraph (2), if the trustees of a scheme, having received an application under section 95 of the 1993 Act, fail to do what is needed to carry out what the member requires within six months of the appropriate date the member's cash equivalent, as calculated in accordance with regulations 7 to 9, shall be increased by the amount, if any, by which that cash equivalent falls short of what it would have been if the appropriate date had been the date on which the trustees carry out what the member requires.

(2) If the trustees of a scheme, having received an application under section 95 of the 1993 Act, fail without reasonable excuse to do what is needed to carry out what the member requires within six months of the appropriate date the member's cash equivalent, as calculated in accordance with regulations 7 to 9, shall be increased by—

- (a) interest on that cash equivalent calculated on a daily basis over the period from the appropriate date to the date on which the trustees carry out what the member requires, at an annual rate of one per cent. above base rate; or, if it is greater,
- (b) the amount, if any, by which that cash equivalent falls short of what it would have been if the appropriate date had been the date on which the trustees carry out what the member requires.]

Textual Amendments

F11 Regs. 7-7E substituted for reg. 7 and 8 (E.W.S.) (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), regs. 1(1), **4**

Modifications etc. (not altering text)

C11 Reg. 10(2)(a) excluded (1.4.2008) by [The Local Government Pension Scheme \(Administration\) Regulations 2008 \(S.I. 2008/239\)](#), regs. 1(1), **78(5)**

C12 Reg. 10(2)(a) excluded (S.) (1.4.2009) by [Local Government Pension Scheme \(Administration\) \(Scotland\) Regulations 2008 \(S.S.I. 2008/228\)](#), reg. 1, **73(5)**

Disclosure

11 .—^{F45}(1) Subject to paragraphs (1A) and (1B), a member to whom paragraph (1C) applies is entitled to receive from the trustees, on request, the information mentioned in Schedule 1 in writing.]

^{F46}(1A) Paragraph (1) does not apply where the request is made within 12 months of the last occasion that such information was provided to the member.

(1B) Information provided under paragraph (1) is to be provided by the trustees as soon as reasonably practicable, and in any event within three months after the date that the member makes the request.]

^{F47}(1C) This paragraph applies—

- (a) to a member who is currently accruing rights to one of the categories of benefits; and
- (b) to a member who is no longer accruing rights to money purchase benefits unless, in respect of those benefits, a crystallisation event under section 93(7) has occurred.]

^{F48}(2)

^{F49}(3)

(4) The trustees must ensure that a statement of entitlement [^{F50}provided under section 93A of the 1993 Act] is accompanied by—

- (a) the information mentioned in Schedule 1 in relation to any cash equivalent of or transfer value in relation to the member’s money purchase benefits (if any) under the scheme, calculated by reference to the guarantee date;
- (b) a statement in writing—

^{F51}(i)

(ii) indicating whether, and if so for what reasons and by what amount, the member’s [^{F52}initial] has been reduced under [^{F53}Schedule 1A] and if any such reduction has been made the statement shall indicate the paragraph of [^{F53}Schedule 1A] which has been relied upon and shall give an estimate of the date (if any) by which it will be possible to make available a [^{F54}cash equivalent shown in the statement of entitlement][^{F55}in relation to each of the categories of benefits]which is not so reduced,

^{F56}(*ia*) indicating the amount of the cash equivalent which is attributable to each of the categories of benefits included in the statement of entitlement;]

(iii) explaining the terms and effect of regulation 6(3) (no right to make an application for a guaranteed statement of entitlement within 12 months of the last such application),

- (iv) explaining that if the member wishes to exercise his right to take the ^{F57} cash equivalent shown in the statement of entitlement] the member must submit a written application to do so within three months beginning on the guarantee date, ^{F58} ...
- (v) explaining that in exceptional circumstances the ^{F59} cash equivalent shown in the statement of entitlement] may be reduced and that the member will be informed if it is so reduced, ^{F60} and
- (vi) where the scheme has begun to wind up, explaining that—
 - (aa) the value of the member’s ^{F61} cash equivalent shown in the statement of entitlement] may be affected by the scheme’s winding up; ^{F62}and]
 - (bb) a decision to take a ^{F61} cash equivalent shown in the statement of entitlement] should be given careful consideration; and
 - ^{F63}(cc)]

^{F64}(c) the information mentioned in paragraph 3 of Schedule 1.]

^{F65}(4A) For the purposes of paragraph (4)(b)(vi), the question whether a scheme has begun to wind up shall be determined in accordance with section 124(3A) to (3D) of the 1995 Act.]

(5) Where a ^{F66} cash equivalent shown in the statement of entitlement] is reduced or increased under regulation 9, the trustees must notify the member of that fact in writing within ten days (excluding Saturdays, Sundays, Christmas Day, New Year’s Day and Good Friday) and such notification must—

- (a) state the reasons for and the amount of the reduction or increase;
- (b) indicate the paragraph of regulation 9 which has been relied upon; and
- (c) state that the member has a further three months, beginning with the date on which the member is informed of the reduction or increase, to make a written application to take the guaranteed cash equivalent as so reduced or increased.

(6) Where any person fails to comply with any requirement imposed upon that person by this regulation, the Regulatory Authority may ^{F67}by notice in writing] require that person to pay, within 28 days, a penalty which—

- (a) in the case of an individual, shall not exceed £1,000; and
- (b) in any other case, shall not exceed £10,000.

^{F68}(7) The trustees may provide any information or notification under this regulation in accordance with regulations 26 to 28 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (giving information and documents).]

Textual Amendments

- F45** Reg. 11(1) substituted (6.4.2015) by [The Occupational and Personal Pension Schemes \(Transfer Values\) \(Amendment and Revocation\) Regulations 2015 \(S.I. 2015/498\)](#), regs. 1(2), **4(9)(a)**
- F46** Reg. 11(1)-(1B) substituted for reg. 11(1) (E.W.S.) (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#) , regs. 1(1) , **5(a)**
- F47** Reg. 11(1C) inserted (6.4.2015) by [The Occupational and Personal Pension Schemes \(Transfer Values\) \(Amendment and Revocation\) Regulations 2015 \(S.I. 2015/498\)](#), regs. 1(2), **4(9)(b)**
- F48** Reg. 11(2) omitted (E.W.S.) (1.10.2008) by virtue of [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#) , regs. 1(1) , **5(b)**
- F49** Reg. 11(3) omitted (6.4.2015) by virtue of [The Occupational and Personal Pension Schemes \(Transfer Values\) \(Amendment and Revocation\) Regulations 2015 \(S.I. 2015/498\)](#), regs. 1(2), **4(9)(c)**

- F50** Words in reg. 11(4) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(9)(d)(i)**
- F51** Reg. 11(4)(b)(i) omitted (E.W.S.) (1.10.2008) by virtue of Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050) , regs. 1(1) , **5(e)**
- F52** Word in reg. 11(4)(b)(ii) inserted (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050) , regs. 1(1) , **5(d)(ii)**
- F53** Words in reg. 11(4)(b)(ii) substituted (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050) , regs. 1(1) , **5(d)(i)**
- F54** Words in reg. 11(4)(b)(ii) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(9)(e)**
- F55** Words in reg. 11(4)(b)(ii) inserted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(9)(d)(ii)**
- F56** Reg. 11(4)(b)(ia) inserted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(9)(d)(iii)**
- F57** Words in reg. 11(4)(b)(iv) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(9)(e)**
- F58** Word in reg. 11(4)(b)(iv) omitted (15.2.2005) by virtue of Occupational Pension Schemes (Winding Up, Deficiency on Winding Up and Transfer Values) (Amendment) Regulations 2005 (S.I. 2005/72) , regs. 1(1) , **4(a)(i)**
- F59** Words in reg. 11(4)(b)(v) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(9)(e)**
- F60** Reg. 11(4)(b)(vi) and word inserted (15.2.2005) by Occupational Pension Schemes (Winding Up, Deficiency on Winding Up and Transfer Values) (Amendment) Regulations 2005 (S.I. 2005/72) , regs. 1(1) , **4(a)(ii)**
- F61** Words in reg. 11(4)(b)(vi) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(9)(e)**
- F62** Word in reg. 11(4)(b)(vi)(aa) inserted (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050) , regs. 1(1) , **5(f)**
- F63** Reg. 11(4)(b)(vi)(cc) omitted (E.W.S.) (1.10.2008) by virtue of Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050) , regs. 1(1) , **5(e)**
- F64** Reg. 11(4)(c) inserted (E.W.S.) (1.10.2008) by Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050) , regs. 1(1) , **5(g)**
- F65** Reg. 11(4A) inserted (15.2.2005) by Occupational Pension Schemes (Winding Up, Deficiency on Winding Up and Transfer Values) (Amendment) Regulations 2005 (S.I. 2005/72) , regs. 1(1) , **4(b)**
- F66** Words in reg. 11(5) substituted (6.4.2015) by The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015 (S.I. 2015/498), regs. 1(2), **4(9)(e)**
- F67** Words in reg. 11(6) inserted (E.W.S.) (6.4.2009) by Occupational, Personal and Stakeholder Pensions (Miscellaneous Amendments) Regulations 2009 (S.I. 2009/615) , regs. 1(2) , **8(2)**
- F68** Reg. 11(7) added (6.4.2014) by The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (S.I. 2013/2734) , reg. 1(1) , **Sch. 9 para. 3**

Modifications etc. (not altering text)

- C13** Reg. 11 applied (1.12.2000) by The Divorce etc. (Pensions) (Scotland) Regulations 2000 (S.S.I. 2000/112) , regs. 1(1) , **3(4)(b)** (with reg. 1(2))
- C14** Reg. 11 applied (with application in accordance with art. 1(2) of the commencing S.I.) by The Divorce etc. (Pensions) Regulations 2000 (S.I. 2000/1123) , **art. 3(1)(b)(2)(b)**reg. 1(1)

Changes to legislation:

There are currently no known outstanding effects for the The Occupational Pension Schemes (Transfer Values) Regulations 1996, PART III.