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STATUTORY INSTRUMENTS

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**1997 No. 3001**

**The Teachers' Pensions Regulations 1997**

**PART F**

**TRANSFER VALUES**

**Payment of transfer values**

**F1.**—(1) Subject to paragraphs (2) to (7), a transfer value is to be paid in respect of a person who has ceased to be in pensionable employment and has become subject to an approved pension scheme or, if he ceased to be in pensionable employment after 31st December 1985, a personal pension scheme (“the receiving scheme”).

(2) The person must have made a written application to the Secretary of State, within 12 months after the day on which he became subject to the receiving scheme, for the transfer value to be paid.

(3) A transfer value is not to be paid if one was paid before 3rd February 1998 in relation to the same transfer.

(4) A transfer value is not to be paid in respect of a person who, when the application was received, had become entitled under regulation E4 to payment of retirement benefits or under regulation E16 or E17 respectively to a short-service annuity or incapacity grant, unless the employment in which he has become subject to the receiving scheme is comparable British service and he entered it—

- (a) immediately after ceasing to be in pensionable employment, or
- (b) on or before his 60th birthday,

and has not applied for payment of any benefit.

(5) A transfer value is not to be paid if the receiving scheme is an approved pension scheme which is administered wholly or primarily in the United Kingdom and is not a contracted-out scheme, unless the person—

- (a) has been in pensionable employment for less than 2 years or is not qualified for retirement benefits, or
- (b) ceased to be in pensionable employment before 6th April 1978, or
- (c) is a married woman or widow who, by virtue of an election made or treated as made under regulations under section 19(4) of the Social Security Contributions and Benefits Act 1992(1), either is liable to pay primary Class 1 contributions or Class 2 contributions at a reduced rate or is under no liability to pay Class 2 contributions.

(6) A transfer value is not to be paid if the person has acquired a right to a cash equivalent, unless—

- (a) the service to which the cash equivalent relates includes service before 1st September 1988, and

- (b) the right has been exercised by requiring the whole of the cash equivalent to be paid to the scheme managers of an approved pension scheme which is not a club scheme.
- (7) A transfer value is not to be paid if the person—
  - (a) has acquired a right to a part cash equivalent, and
  - (b) would on taking that right remain qualified for retirement benefits.

**Amounts of transfer values and additional transfer values**

**F2.**—(1) Part I of Schedule 12 has effect, subject to paragraphs (2) and (3), for determining the amounts of transfer values payable under regulation F1.

- (2) Unless the receiving scheme is a club scheme, where—
  - (a) the person in respect of whom a transfer value is payable had become entitled to count reckonable service under regulation F4(8) (acceptance of transfer value), and
  - (b) the amount determined in accordance with Part I of Schedule 12, together with that of any cash equivalent paid on the transfer, is less than the appropriate amount,

a transfer value of the appropriate amount is to be paid.

- (3) The appropriate amount is

$$A + B - C,$$

where—

A is the transfer value accepted under regulation F4,

B is the total of the contributions paid by the person under Part C, except any that fell to be treated for the purposes of regulation G2 as employers' contributions, and

C is any cash equivalent paid on the transfer.

**Termination of right to count reckonable etc. service**

**F3.** A person—

- (a) in respect of whom a transfer value has been paid under regulation F1, or
- (b) who has acquired a right to a cash equivalent and exercised the option to take that right,

ceases to be entitled to count as reckonable service, or as part of a qualifying period within the meaning of regulation E3, any period to which the transfer value or cash equivalent related.

**Acceptance of transfer values**

**F4.**—(1) Subject to paragraphs (2) to (6), a transfer value offered to the Secretary of State by the scheme managers of—

- (a) an approved pension scheme, or
- (b) a personal pension scheme, or
- (c) a scheme consisting of a self-employed pension arrangement,

(“the previous scheme”), in respect of a person who has entered pensionable employment, may be accepted.

(2) In paragraph (1) “self-employed pension arrangement” means a personal pension scheme within the meaning of Chapter IV of Part XIV of the Taxes Act which—

- (a) is approved by the Commissioners of Inland Revenue under that Chapter, and

- (b) is neither a personal pension scheme nor a contract or scheme approved under Chapter III of Part XIV of the Taxes Act.
- (3) The person must have made a written request to the Secretary of State for the transfer value to be accepted.
- (4) Unless while the person was subject to the previous scheme he was employed in comparable British service, the request must have been made within 12 months after the day on which he entered pensionable employment.
- (5) A transfer value is not to be accepted if one was accepted before 3rd February 1998 in relation to the same transfer.
- (6) Subject to paragraph (7), a transfer value is not to be accepted if—
  - (a) before he ceased to be subject to the previous scheme the person became entitled under regulation E4 to payment of retirement benefits, or
  - (b) he has become entitled to payment of benefits under a provision of a statutory scheme corresponding to regulation E4.
- (7) Paragraph (6) does not apply if, while the person was subject to the previous scheme, he was employed in comparable British service and he entered pensionable employment—
  - (a) immediately after the end of the employment, or
  - (b) on or before his 60th birthday.
- (8) A person in respect of whom a transfer value has been accepted is entitled to count reckonable service in accordance with Part II of Schedule 12.