

SCHEDULE 12

TRANSFER VALUES

PART I

OUTWARD TRANSFERS

1. A transfer value is calculated on the cash equivalent basis if it is calculated in the manner prescribed under section 97 of the 1993 Act for the calculation of cash equivalents.

2. Where—

- (a) a transfer value is payable to the scheme managers of a club scheme or a personal pension scheme, or
- (b) a transfer value is payable to the scheme managers of an approved pension scheme which is not a club scheme and none of the service to which it relates is service before 1st September 1988,

and no right to a cash equivalent was acquired, the transfer value is to be calculated on the cash equivalent basis.

3. Where—

- (a) a transfer value is payable to the scheme managers of an approved pension scheme which is not a club scheme, and
- (b) the service to which it relates includes service before 1st September 1988, and
- (c) no right to a cash equivalent was acquired,

the amount of the transfer value is the total of

A and the greater of B and C,

where—

A is a notional transfer value, calculated on the cash equivalent basis, in respect of the person's service after 31st August 1988,

B is a notional transfer value, calculated on the cash equivalent basis, in respect of his service before 1st September 1988, and

C is a notional transfer value, calculated as if Schedule 7 to the 1976 Regulations, as in force on 31st August 1988, had continued in force, in respect his service before 1st September 1988.

4. Where—

- (a) a transfer value is payable to the scheme managers of an approved pension scheme which is not a club scheme, and
- (b) the service to which it relates includes service before 1st September 1988, and
- (c) a right to a cash equivalent was acquired,

the amount of the transfer value is

D + E

where—

D is the transfer value that would have been payable if paragraph 3 had applied, and

E is the amount of the cash equivalent,

5. Where—

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (a) a transfer value is payable to the scheme managers of a personal pension scheme, and
- (b) a right to a part cash equivalent was acquired,

the transfer value is to be calculated on the cash equivalent basis but as if the person's pensionable employment had ended with 5th April 1988.

6.—(1) This paragraph applies where—

- (a) a transfer value falls to be calculated in accordance with paragraph 3 or 4, and
- (b) for the purposes of paragraph 3 C is greater than B.

(2) Subject to sub-paragraphs (3) and (4), if the transfer value is not paid within 6 months after the person ceased to be in pensionable employment the amount calculated in accordance with paragraph 3 or 4 is increased by adding to it interest on C at 9% per annum, compounded with 3-monthly rests, for each complete period of 3 months after the end of the employment and before the date of payment.

(3) If the employment ended before 1st April 1977 the amount calculated in accordance with paragraph 3 is increased by adding to it—

- (a) interest on C at 6% per annum, compounded with yearly rests, for each complete period of a year after the end of the employment and before 1st April 1977, and
- (b) interest on C at 9% per annum, compounded with 3 monthly rests, for the period of 3 months beginning on 1st April 1977 and for each subsequent complete period of 3 months before the date of payment.

(4) If the employment ended after 5th April 1978 and before 1st April 1979 the amount calculated in accordance with paragraph 3 is increased by adding to it interest on C at 6% per annum compounded with yearly rests, for each complete period of a year after the end of the employment and before the date of payment.

7. Where a transfer value is paid to the scheme managers of an occupational pension scheme which is not a contracted-out scheme or of a personal pension scheme, there may be deducted from it the amount of any contributions equivalent premium paid by the Secretary of State.