
STATUTORY INSTRUMENTS

2016 No. 289

**The Pension Sharing (Miscellaneous
Amendments) Regulations 2016**

Amendments to the Pension Sharing (Valuation) Regulations 2000

- 4.—(1) The Pension Sharing (Valuation) Regulations 2000⁽¹⁾ are amended as follows.
- (2) In regulation 1(2) (interpretation), omit the definition of “initial cash equivalent”⁽²⁾.
- (3) In regulation 2(1) (rights under a pension arrangement which are not shareable)⁽³⁾—
- (a) in sub-paragraph (b)—
- (i) for paragraph (iv) substitute—
- “(iv) dependants’, nominees’ or successors’ income withdrawal within the meaning of, as the case may be, paragraph 21 (dependants’ income withdrawal), 27D (nominees’ income withdrawal) or 27J (successors’ income withdrawal) of Schedule 28 to the Finance Act 2004⁽⁴⁾”;
- (ii) after “surviving civil partner”, insert “, nominee, successor”;
- (iii) omit “and” at the end;
- (b) after sub-paragraph (b), insert—
- “(ba) any rights relating to sums and assets held for the purposes of—
- (i) a dependant’s drawdown pension fund or flexi-access drawdown fund within the meaning of, as the case may be, paragraph 22 (dependant’s drawdown pension fund) or 22A (dependant’s flexi-access drawdown fund) of Schedule 28 to the Finance Act 2004⁽⁵⁾;
- (ii) a nominee’s or successor’s flexi-access drawdown fund within the meaning of, as the case may be, paragraph 27E (nominee’s flexi-access drawdown fund) or 27K (successor’s flexi-access drawdown fund) of Schedule 28 to the Finance Act 2004⁽⁶⁾”;
- (c) after the words “pensionable service” in sub-paragraph (c), insert—
- “; and

(1) [S.I. 2000/1052](#).

(2) The definition of “initial cash equivalent” was inserted by [S.I. 2008/1050](#).

(3) Regulation 2 was amended by [S.I. 2005/2877](#), [2006/744](#) and [2011/1245](#).

(4) [2004 c.12](#). Paragraph 21 was substituted by the Finance Act [2011 \(c.11\)](#) (“the 2011 Act”), section 65 and Schedule 16, Part 1, paragraphs 12 and 15 and was amended by the Taxation of Pensions Act [2014 \(c.30\)](#) (“the 2014 Act”), section 1 and Schedule 1, Part 1, paragraphs 5 and 20. Paragraphs 27D and 27J were inserted by the 2014 Act, section 3 and Schedule 2, Part 1, paragraph 3(1).

(5) Paragraph 22 was amended by the Finance Act [2005 \(c.7\)](#), section 101 and Schedule 10, paragraphs 1 and 21; the 2011 Act, section 65 and Schedule 16, Part 1, paragraph 16 and the 2014 Act, section 1 and Schedule 1, Part 1, paragraphs 5 and 21. Paragraph 22A was inserted by the 2014 Act, section 1 and Schedule 1, Part 1, paragraph 4(1).

(6) Paragraphs 27E and 27K were inserted by the 2014 Act, section 3 and Schedule 2, Part 1, paragraph 3(1). Paragraph 27E was amended by the 2011 Act, section 34 and Schedule 4, Part 1, paragraphs 1 and 13(1), (4) and (5). Paragraph 27K was amended by the Finance Act [2015 \(c.11\)](#), section 34 and Schedule 4, Part 1, paragraphs 1 and 13(1) and (6).

- (d) any rights in respect of a cash transfer sum or contribution refund that the member would be entitled to under section 101AB of the 1993 Act (right to cash transfer sum and contribution refund)(7) if pensionable service were to be terminated.”.

(4) For regulation 4 (manner of calculation and verification of cash equivalents: occupational pension schemes)(8) substitute—

“Manner of calculation and verification of cash equivalents: occupational pension schemes

4.—(1) Subject to this regulation, where a person with pension rights is, for the purposes of Part I of the 1995 Act, an active member, a deferred member or a pensioner member of an occupational pension scheme, or where a person with pension rights attains, or is over, normal pension age and is not in receipt of the pension, the value of rights in relation to a category of benefits referred to in section 93(6) of the 1993 Act (category of benefits) must be calculated and verified in accordance with regulations 7 to 7C and 7E(1) to (3) of the Transfer Values Regulations (calculation and verification of cash equivalents), as if—

- (a) in the case of benefits other than money purchase benefits, the member has made an application for a statement of entitlement under section 93A of the 1993 Act (right to statement of entitlement: benefits other than money purchase); or
- (b) in the case of money purchase benefits, the member has made an application under section 95 of the 1993 Act (ways of taking right to cash equivalent) to use the cash equivalent of those benefits.

(2) Where a person with pension rights is continuing to accrue rights to benefits in the category of benefits to be valued, paragraph (1) applies as if the person had ceased to accrue rights in that category of benefits on the valuation day.

(3) Where a person with pension rights is entitled to present payment of the pension, but the pension is not yet in payment, the cash equivalent must be calculated and verified on the assumption that the pension comes into payment on the transfer day.

(4) When calculating and verifying the cash equivalent, regulations 7 to 7C and 7E(1) to (3) of the Transfer Values Regulations are to be read as if—

- (a) in regulation 7—
- (i) in paragraph (1)(a), the words “and then making any reductions in accordance with regulation 7D” do not appear;
- (ii) in paragraph (1)(b), the words “regulation 7E” are replaced with “regulation 7E(1) to (3)”;
- (b) in regulation 7A(2), the words “guarantee date” are replaced with “valuation day”;
- (c) in regulation 7C(2), the words “at the date of calculation” are replaced with “on the valuation day”; and
- (d) “valuation day” has the meaning given by section 29(7) of the 1999 Act (meaning of valuation day).”.

(5) In regulation 5 (manner of calculation and verification of cash equivalents: other relevant arrangements)(9)—

- (a) in paragraph (1), for “7 to 7E of the Transfer Values Regulations” substitute “7 to 7C and 7E(1) to (3) of the Transfer Values Regulations, as if the person with the pension rights

(7) Section 101AB was inserted by the 2004 Act, section 264.

(8) Regulation 4 was substituted by S.I. 2008/1050.

(9) Regulation 5 was substituted by S.I. 2008/1050.

had made a valid application under section 95 of the 1993 Act to use the cash equivalent of the rights to benefits”;

(b) in paragraph (2), before sub-paragraph (a) insert—

“(za) in regulation 7(1)(a), the words “and then making any reductions in accordance with regulation 7D” do not appear;

(zb) in regulation 7(1)(b), the words “regulation 7E” are replaced with “regulation 7E(1) to (3)”;

(c) in paragraph (3), for “Chapter IV of Part IV of the 1993 Act by section 93(1)(b) of that Act (scope of Chapter IV)” substitute “Chapter 1 of Part 4ZA of the 1993 Act by section 93(5) (b) of that Act (scope of Chapter 1)”.