

SCHEDULE 4

Regulation 3(10)

MODIFICATIONS SUBJECT TO WHICH SCHEDULE 1A TO THE SOCIAL SECURITY PENSIONS ACT 1975 IS TO HAVE EFFECT IN RELATION TO PERSONAL PENSION SCHEMES

1. In paragraph 1—
 - (a) the substitution, for sub-paragraph (1), of the following sub-paragraph—

“(1) This Part of this Schedule applies to any member of a personal pension scheme (other than a member of such a scheme which is comprised in an annuity contract made before 4th January 1988) in respect of whom contributions (which expression includes, where applicable, minimum contributions within the meaning of Part I of the Social Security Act 1986) to the scheme have ceased to be paid and who has accrued rights to benefit under the scheme.”; and
 - (b) the omission of sub-paragraphs (2) to (4).
2. The omission of paragraphs 2 to 4.
3. In paragraph 5—
 - (a) in sub-paragraph (3), the omission of “if the revaluation condition is satisfied,”; and
 - (b) the substitution, for sub-paragraph (4), of the following sub-paragraph—

“(4) The trustees and managers of a personal pension scheme may, when providing a pension or other retirement benefit under sub-paragraph (3) above, deduct a sum which does not exceed—

 - (a) the actual administrative expenses of doing so, or, if it is less,
 - (b) the amount of the administrative expenses which would have been incurred in providing a money purchase benefit for the same member if contributions had not ceased to be paid to the scheme in respect of him.”.
4. The omission of paragraph 6.
5. In paragraph 7—
 - (a) in sub-paragraph (1), the omission of “Subject to sub-paragraph (2) below,”; and
 - (b) the omission of sub-paragraphs (2) to (4).
6. The omission of paragraphs 8 to 10.
7. In paragraph 11—
 - (a) the substitution, for sub-paragraph (1), of the following sub-paragraph—

“(1) This Part of this Schedule applies to any member of a personal pension scheme (other than a member of such a scheme which is comprised in an annuity contract made before 4th January 1988) who has accrued rights to benefits under that scheme.”;
 - (b) the omission of sub-paragraph (2); and
 - (c) in sub-paragraph (3), the substitution, for “an occupational pension scheme”, of “a personal pension scheme”.
8. In paragraph 12—
 - (a) the substitution, for sub-paragraph (1), of the following sub-paragraph—

“(1) Subject to the following provisions of this Schedule, a member acquires a right to the cash equivalent at the relevant date of any benefits which have accrued to or in respect of him under the rules of the scheme.”;

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- (b) in sub-paragraph (2)—
 - (i) the omission of the definition of the expression “the applicable rules”, and
 - (ii) the substitution, for the definition of the expression “the relevant date”, of the following definition— “‘the relevant date’ means the date of the relevant application;”;and
 - (c) the omission of sub-paragraphs (2A), (2B) and (3).
- 9.** In paragraph 13—
- (a) in sub-paragraph (2)(a), the substitution, for “another scheme”, of “an occupational pension scheme, or for acquiring rights allowed under the rules of another personal pension scheme”, and the insertion, after “whose trustees or managers” and after “which”, of “, in either case,”;
 - (b) the omission of sub-paragraph (2)(b);
 - (c) in sub-paragraph (5), the substitution, for paragraphs (a) and (b), of the following paragraphs—
 - “(a) the trustees or managers of an occupational pension scheme which is not a contracted-out scheme, or of a personal pension scheme which is not an appropriate scheme, are able or willing to accept a transfer payment only in respect of a member’s rights other than his protected rights within the meaning given by Schedule 1 to the Social Security Act 1986; and
 - (b) the member has not required the trustees or managers of the scheme from which he is being transferred to use that portion of his cash equivalent that represents protected rights within the meaning given by Schedule 1 to the Social Security Act 1986 in either of the ways specified in sub-paragraph (2) above.”; and
 - (d) in sub-paragraph (6), the substitution, for “his and his widow’s guaranteed minimum pensions”, of “his protected rights within the meaning given by Schedule 1 to the Social Security Act 1986”.
- 10.** In paragraph 14—
- (a) in sub-paragraph (3)(a)(ii), the substitution, for “to provide guaranteed minimum pensions”, of “to make provision for protected rights”; and
 - (b) the omission of sub-paragraph (4)(a)(i).
- 11.** The substitution, for paragraph 15, of the following paragraph—
- “**15.**—(1) Where, on or before the relevant date, the whole, or any part, of a member’s benefits have become payable under the scheme, the right which he acquires under paragraph 12(1) above is only to the cash equivalent of any of the benefits mentioned in that paragraph which have not become payable.
- (2) A member loses the right to any cash equivalent under this Part of this Schedule if the scheme is wound up.”.
- 12.** In paragraph 16—
- (a) in sub-paragraph (2), the substitution, for “to provide such guaranteed minimum pensions”, of “to make provision for such protected rights”;
 - (b) the omission of sub-paragraph (3)(b);
 - (c) the omission of sub-paragraph (4);
 - (d) the substitution, for sub-paragraph (5)(a)(ii), of the following—

- “(ii) the scheme is ceasing to be an appropriate personal pension scheme within the meaning of Part I of the Social Security Act 1986,”; and
- (e) in sub-paragraph (5)(b), the insertion, after “section 49 above”, of “, as modified by regulation 3(2) of, and Schedule 2 to, the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations 1987,”.
- 13.** In paragraph 17, the substitution, for “13(2)(a), (b) or (c)” of “13(2)(a) or (c)”.
- 14.** In paragraph 19, the insertion, after “purposes of”, of “Part II of”.
- 15.** In paragraph 21—
- (a) the substitution, for “occupational pension scheme”, of “personal pension scheme”; and
- (b) the omission of sub-paragraph (b).
- 16.** In paragraph 22—
- (a) in sub-paragraph (1), the substitution, for “occupational pension scheme (other than a public service pension scheme)”, of “personal pension scheme”; and
- (b) in sub-paragraph (2)(a), the substitution, for “section 41E(2)(a) to (d)”, of “section 41E(2)(a), (b) and (d)”.