
STATUTORY INSTRUMENTS

1995 No. 300

The National Health Service Pension Scheme Regulations 1995

PART M

Transfers and buy-outs

Member's right to transfer or buy-out

M1.—(1) A member who leaves pensionable employment with a preserved pension before reaching age 60 may require the Secretary of State to transfer or buy-out his rights under the scheme as described in this regulation.

(2) Subject to paragraphs (3) and (4), the member may require the Secretary of State to use the cash equivalent of his rights under the scheme—

- (a) to purchase one or more buy-out policies from one or more insurance companies chosen by the member; or
- (b) to acquire rights under another occupational pension scheme, or under a personal pension scheme, that satisfies the requirements of Chapter IV of Part IV of the Pension Schemes Act 1993 (transfer values); or
- (c) in any combination of the ways described in sub-paragraphs (a) and (b);

provided that the right is exercised in relation to each and every portion of the cash equivalent.

(3) A member may require the Secretary of State to use the cash equivalent of his rights under the scheme to purchase one or more buy-out policies or to acquire rights under a personal pension scheme only—

- (a) if the member leaves pensionable employment on or after 1st January 1986; and
- (b) where those rights are to be transferred to a personal pension scheme, in relation to any period of service of 2 years or more falling before 6th April 1988, if a period of not less than one month has elapsed between the date the member left NHS employment and the date of commencement of any further NHS employment.

(4) A member who leaves pensionable employment with a preserved pension after reaching age 59 may require the Secretary of State to use the cash equivalent only to acquire rights under another occupational pension scheme.

(5) Where a member leaves pensionable employment by opting-out and on so doing becomes entitled to a preserved pension under regulation L1 then, if the member has at least 2 years' service before 6th April 1988, the member's right to require a transfer or buy-out will be limited to the cash equivalent of the part of his rights that is attributable to service after 5th April 1988 and the member will acquire a right to the cash equivalent of his remaining rights only if he actually leaves NHS employment before reaching age 60.

(6) A member loses the right referred to in paragraph (1) if any pension under the scheme becomes payable to the member before the member reaches age 60.

(7) Where the Secretary of State has done what is needed to carry out what the member requires under this regulation, the Secretary of State will be discharged from any obligation to provide

benefits for or in respect of the member under the scheme, except that the Secretary of State will continue to be liable to provide a guaranteed minimum pension in respect of the member where regulation M3(2) applies (unless the Secretary of State discharges that liability under regulation K7 (State scheme premiums)).