
STATUTORY INSTRUMENTS

1996 No. 3126

**The Occupational Pension Schemes
(Winding Up) Regulations 1996**

Discharge of liabilities by insurance etc.

Arrangements for discharge of liabilities under s. 74

6.—(1) For the purposes of section 74(2), the arrangements with which the trustees or managers of a scheme must comply in providing for the discharge of a liability under that section are as follows.

(2) Where the trustees or managers of a scheme propose to discharge a liability of the scheme to or in respect of a member—

- (a) they must give him or, if he has died, each beneficiary who is entitled to benefits in respect of him, notice in writing of that fact;
- (b) if they propose to discharge the liability wholly or partly—
 - (i) in the way mentioned in section 74(3)(a) or (b), or
 - (ii) in the way mentioned in regulation 8(5) in a case where sub-paragraph (a) of that regulation applies, then, subject to paragraph (4), they must obtain the written consent of the member or, as the case may be, the beneficiary to discharging the liability in that way; and
- (c) in the case of discharge in the way mentioned in regulation 8(5), any other requirements which apply to the making of a payment so mentioned must have been met.

(3) A notice under paragraph (2)(a) must comply with the requirements of regulation 7.

(4) In a case where regulation 12 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991⁽¹⁾ (transfer of member's accrued rights without consent) applies, no consent need be obtained to a discharge of liability in the way mentioned in section 74(3)(a).

(5) Where—

- (a) the trustees or managers have complied with paragraphs (2) and (3); and
- (b) an election has been made under regulation 7(3)(a),

they may discharge the liability in pursuance of the election without complying with those paragraphs again.

⁽¹⁾ S.I. 1991/167. Regulation 12 has been amended by S.I. 1992/1531, regulation 35; S.I. 1993/1822, regulation 2; S.I. 1994/1062, paragraph 30(15) of Schedule 2; S.I. 1995/3067, regulation 2(4); S.I. 1996/2131, regulation 2(7).