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STATUTORY INSTRUMENTS

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**2000 No. 1054**

**The Pension Sharing (Pension Credit Benefit) Regulations 2000**

**PART III**

**TRANSFER VALUES**

**Transfer payments in respect of safeguarded rights—general**

<sup>F1</sup>16. ....

**Textual Amendments**

**F1** Reg. 16 omitted (6.4.2009) by virtue of [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(4)(a)**

**Transfer payments to money purchase contracted-out schemes and appropriate schemes**

<sup>F2</sup>17. ....

**Textual Amendments**

**F2** Reg. 17 omitted (6.4.2009) by virtue of [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(4)(b)**

**Transfer payments to salary related contracted-out schemes**

<sup>F3</sup>18. ....

**Textual Amendments**

**F3** Reg. 18 omitted (6.4.2009) by virtue of [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(4)(c)**

**Transfer payments to overseas schemes or overseas arrangements**

<sup>F4</sup>19. ....

**Textual Amendments**

**F4** Words in reg. 19 omitted (6.4.2009) by virtue of [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(4)(d)**

*Status: Point in time view as at 06/04/2016.*

*Changes to legislation: There are currently no known outstanding effects for the The Pension Sharing (Pension Credit Benefit) Regulations 2000, PART III. (See end of Document for details)*

## Requirements to be met by annuities

20. [<sup>F5</sup>The prescribed] requirements referred to in section 101F(2)(b) of the 1993 Act (cash equivalent to be used for purchasing annuities) are those specified in regulation 15(2) to (7) of the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000<sup>M1</sup> (disqualification as a destination for pension credit—annuity contracts and insurance policies).

### Textual Amendments

**F5** Words in reg. 20 substituted (6.4.2009) by [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(5)**

### Marginal Citations

**M1** [S.I. 2000/1053](#).

## Requirements of other pension arrangements

21.—(1) The prescribed requirements referred to in section 101F(2)(c) and (3)(b) of the 1993 Act (cash equivalent of [<sup>F6</sup>pension credit rights] to be used to subscribe to other pension arrangements which satisfy prescribed requirements) are that the pension arrangement to which it is proposed to subscribe—

(a) is an overseas arrangement [<sup>F7</sup>or];

<sup>F8</sup>(b) .....

(c) if the scheme from which rights are transferred is of a kind described in any of subparagraphs (a) to (e) of paragraph (2), satisfies the requirements of the Inland Revenue.

(2) The kinds of scheme mentioned in paragraph (1)(c) are—

(a) a scheme which is approved by the Inland Revenue for the purposes of Chapter I of Part XIV of the Taxes Act (pension schemes, social security benefits, life annuities etc: retirement benefit schemes);

(b) a scheme which is being considered for approval by the Inland Revenue for the purposes of Chapter I of Part XIV of the Taxes Act;

(c) a relevant statutory scheme as defined in section 611A(1)<sup>M2</sup> (definition of relevant statutory scheme) of the Taxes Act;

(d) a fund to which section 608 of the Taxes Act (superannuation funds approved before 6th April 1980) applies; and

(e) a scheme which is approved by the Inland Revenue under Chapter IV of Part XIV of the Taxes Act.

(3) The prescribed circumstances referred to in section 101F(2)(c) and (3)(b) of the 1993 Act are those referred to in [<sup>F9</sup>paragraph (1)(c)].

### Textual Amendments

**F6** Words in [reg. 21\(1\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(4)**

**F7** Word in [reg. 21\(1\)\(a\)](#) added (6.4.2009) by [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(6)(a)**

**F8** [Reg. 21\(1\)\(b\)](#) omitted (6.4.2009) by virtue of [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(6)(b)**

**F9** Words in reg. 21(3) substituted (6.4.2009) by [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(6)(c)**

**Marginal Citations**

**M2** Section 611A(1) was inserted by section 75 of, and paragraphs 1, 15 and 18(1) of Part I of Schedule 6 to, the Finance Act 1989.

**Requirements to be met by an eligible scheme**

**22.**—(1) The prescribed requirements referred to in section 101F(6)(b) of the 1993 Act (references to an eligible scheme which satisfies the prescribed requirements) are that—

**F10** .....

(b) if the scheme from which pension credit rights are transferred or from which a transfer payment of such rights is made is of a kind described in <sup>F11</sup>... paragraph (2) of regulation 21, the eligible scheme to which pension credit rights are transferred or to which a transfer payment in respect of those rights is made is [<sup>F12</sup>also] of a kind described in paragraph (2)<sup>F11</sup> ... of regulation 21.

(2) In this regulation “eligible scheme” means a scheme described in section 101F(6) of the 1993 Act.

**Textual Amendments**

**F10** Reg. 22(1)(a) omitted (6.4.2009) by virtue of [The Pensions Act 2008 \(Abolition of Safeguarded Rights\) \(Consequential\) Order 2009 \(S.I. 2009/598\)](#), arts. 1, **8(7)**

**F11** Words in reg. 22(1)(b) omitted (6.4.2009) by virtue of [The Occupational, Personal and Stakeholder Pensions \(Miscellaneous Amendments\) Regulations 2009 \(S.I. 2009/615\)](#), regs. 1(2), **15(6)(a)**

**F12** Word in reg. 22(1)(b) inserted (6.4.2009) by [The Occupational, Personal and Stakeholder Pensions \(Miscellaneous Amendments\) Regulations 2009 \(S.I. 2009/615\)](#), regs. 1(2), **15(6)(b)**

**[<sup>F13</sup>Written statement of the amount of the cash equivalent of the member’s pension credit rights]**

**23.**—(1) Subject to paragraph (2), for the purposes of subsection (2)(a) of section 101H of the 1993 Act (<sup>F14</sup>benefits other than money purchase: statements of entitlement]), the prescribed period beginning with the date of the eligible member’s application under that section for a [<sup>F15</sup>written statement of the amount of the cash equivalent of the member’s pension credit rights] is a period of 3 months.

[<sup>F16</sup>(1A) Where an eligible member has transferrable rights under Part IVA of the 1993 Act in relation to two categories of benefits other than money purchase benefits, the trustees or managers must provide the member with a written statement setting out a separate cash equivalent in relation to each of the categories of benefits, unless the member’s application relates to one of the categories of benefits only.]

(2) Where the trustees or managers of the scheme are for reasons beyond their control unable within the period referred to in paragraph (1) <sup>F17</sup>... to calculate the cash equivalent, the prescribed period is such longer period as they may reasonably require<sup>F18</sup> ..., provided that such longer period does not exceed 6 months beginning with the date of the eligible member’s application.

(3) For the purposes of subsection (2)(b) of section 101H of the 1993 Act, the prescribed period is the period of 10 days (excluding Saturdays, Sundays, Christmas Day, New Year’s Day and Good Friday) ending with the date on which the [F19]written statement] is provided to the eligible member.

(4) For the purposes of subsection (3) of section 101H of the 1993 Act, an eligible member who has made an application under section 101H(1) of the 1993 Act for a [F20]written statement] may not, within a period of 12 months beginning on the date of that application, make any further such application unless the rules of the scheme provide otherwise or the trustees or managers allow him to do so.

#### Textual Amendments

- F13** Words in reg. 23 heading substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(5)(a)**
- F14** Words in reg. 23(1) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(5)(b)(i)**
- F15** Words in reg. 23(1) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(5)(b)(ii)**
- F16** Reg. 23(1A) inserted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(5)(c)**
- F17** Words in reg. 23(2) omitted (1.10.2008) by virtue of [The Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 7(b)(i)**
- F18** Words in reg. 23(2) omitted (1.10.2008) by virtue of [The Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 7(b)(ii)**
- F19** Words in reg. 23(3) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(5)(d)**
- F20** Words in reg. 23(4) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(5)(d)**

#### Manner of calculation and verification of cash equivalents

[F21]24.—(1) Subject to paragraph (2), cash equivalents are to be calculated and verified in accordance with regulations 7 to 7E of the Transfer Values Regulations as appropriate.

- (2) When calculating and verifying the cash equivalent, those Regulations are to be read as if—
- (a) in regulation 1(2) (interpretation), there were inserted at the appropriate alphabetical places—
    - ““eligible member” has the meaning given by section 101P(1) of the 1993 Act (interpretation);”; and
    - ““valuation date” has the meaning given by section 101J(7) of the 1993 Act (time for compliance with transfer notice);”;
  - (b) in regulation 7(1) (manner of calculation and verification of cash equivalents – general provisions), for “paragraphs (4) and (7)” there were substituted “paragraphs (4), (7) and (8)”;
  - (c) in regulations 7 to 7C and Schedule 1A, references to “member” were references to “eligible member”;
  - (d) after regulation 7(7), there were inserted—
    - “(8) Cash equivalents are to be calculated and verified in relation to the valuation date.”;
  - (e) in regulation 7A(2), the reference to “guarantee date” was a reference to “valuation date”;
  - (f) [F22]paragraph 7] of Schedule 1A were omitted; and

- (g) in paragraph 12 of Schedule 1A, the words “a cash equivalent mentioned in section 93A of the 1993 Act, before the guarantee date” were “a cash equivalent such as is mentioned in section 101H of the 1993 Act, before the valuation date”.]

#### Textual Amendments

- F21** Reg. 24 substituted (1.10.2008) by [The Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 7(c)**
- F22** Words in reg. 24(2)(f) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(6)**

#### Time period for notification to the Regulatory Authority of failure by the trustees or managers of an occupational pension scheme to comply with a transfer notice

**25.** The period prescribed for the purpose of section 101J(4)(a) of the 1993 Act (time for compliance with transfer notice) is the period of 21 days beginning with the day immediately following the end of the period for compliance specified in section 101J(1) of that Act.

#### Extension of time limits for payment of cash equivalents

**26.** The Regulatory Authority may grant an extension of the period mentioned in section 101J(1) (a) [<sup>F23</sup>or (b)] of the 1993 Act to the trustees or managers of an occupational pension scheme if the trustees or managers have within that period applied to the Regulatory Authority for an extension and—

- (a) the Regulatory Authority is satisfied that—
- (i) the scheme is being wound up or is about to be wound up;
  - [<sup>F24</sup>(ii) the scheme has ceased to be a contracted-out scheme in the 12 month period ending on the date of the application (whether by virtue of the abolition of contracting-out for salary related schemes under the Pensions Act 2014 or otherwise);]
  - (iii) the interests of the members of the scheme generally will be prejudiced if the trustees or managers do what is needed to carry out what is required within that period;
  - (iv) the eligible member has not taken all such steps as the trustees or managers can reasonably expect in order to satisfy them of any matter which falls to be established before they can properly carry out what the eligible member requires;
  - (v) the trustees or managers have not been provided with such information as they reasonably require properly to carry out what the eligible member requires; or
  - (vi) the eligible member’s [<sup>F25</sup>written statement] has been reduced or increased under [<sup>F26</sup>regulation 28] or the eligible member has disputed the amount of the cash equivalent;
- (b) the provisions of section 53 of the 1993 Act <sup>M3</sup> (supervision: former contracted-out schemes) apply; or
- (c) an application has been made for an extension on one or more of the grounds specified in paragraph (a) or (b) and the Regulatory Authority’s consideration of the application cannot be completed before the end of the period mentioned in section 101J(1)(a) [<sup>F23</sup>or (b)] of the 1993 Act.

*Status: Point in time view as at 06/04/2016.*

*Changes to legislation: There are currently no known outstanding effects for the The Pension Sharing (Pension Credit Benefit) Regulations 2000, PART III. (See end of Document for details)*

#### Textual Amendments

- F23** Words in [reg. 26](#) inserted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(7)(a)**
- F24** [Reg. 26\(a\)\(ii\)](#) substituted (6.4.2016) by [The Pensions Act 2014 \(Abolition of Contracting-out for Salary Related Pension Schemes\) \(Consequential Amendments and Savings\) Order 2016 \(S.I. 2016/200\)](#), arts. 1(2), **17(3)**
- F25** Words in [reg. 26\(a\)\(vi\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(7)(b)(i)**
- F26** Words in [reg. 26\(a\)\(vi\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(7)(b)(ii)**

#### Marginal Citations

- M3** Section 53 was amended by paragraph 48 of Schedule 5 to the Pensions Act 1995 and by paragraphs 52 and 53 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999.

### Increases and reductions of cash equivalents before a statement of entitlement has been sent to the eligible member

<sup>F27</sup>27. ....

#### Textual Amendments

- F27** [Reg. 27](#) omitted (1.10.2008) by virtue of [The Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 7(d)**

### Increases and reductions of cash equivalents once the [<sup>F28</sup>written statement] has been sent to the eligible member

**28.**—(1) This regulation applies to a cash equivalent when a [<sup>F29</sup>written statement] has been sent to an eligible member [<sup>F30</sup>by the trustees or managers of a scheme] .

(2) Where all or any of the benefits to which the cash equivalent relates have been surrendered, commuted or forfeited before the date on which the trustees or managers do what is needed to carry out what the eligible member requires, that part of the cash equivalent which relates to the benefits so surrendered, commuted or forfeited shall be reduced to nil.

(3) Where a scheme has on or after the valuation date begun to be wound up, a cash equivalent may be reduced to the extent necessary for the scheme to comply with [<sup>F31</sup>[<sup>F32</sup>sections 73 to 74 of the 1995 Act] and regulations made under those provisions].

(4) If, by virtue of [<sup>F33</sup>regulations made under section 73B(4)(b)(i) of the 1995 Act by virtue of section 73B(5) of that Act, the winding up provisions (as so defined) apply] to a section of a scheme as if that section were a separate scheme, paragraph (3) shall apply as if that section were a separate scheme and as if the references therein to a scheme were accordingly references to that section.

(5) If an eligible member's cash equivalent falls short of or exceeds the amount which it would have been had it been calculated in accordance with Chapter II of Part IVA of the 1993 Act and these Regulations it shall be increased or reduced to that amount.

(6) In a case where two or more of the paragraphs of this regulation fall to be applied to a calculation, they shall be applied in the order in which they occur in this regulation except that where paragraph (5) falls to be applied it shall be applied as at the date on which it is established that the cash equivalent falls short of or exceeds the proper amount.

**Textual Amendments**

- F28** Words in [reg. 28](#) heading substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(8)(a)**
- F29** Words in [reg. 28\(1\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(8)(b)(i)**
- F30** Words in [reg. 28\(1\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(8)(b)(ii)**
- F31** Words in [reg. 28\(3\)](#) substituted (6.4.2005) by [The Occupational Pension Schemes \(Winding up etc.\) Regulations 2005 \(S.I. 2005/706\)](#), regs. 1(2), **18(9)** (with [reg. 18\(11\)](#))
- F32** Words in [reg. 28\(3\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(8)(c)**
- F33** Words in [reg. 28\(4\)](#) substituted (6.4.2005) by [The Occupational Pension Schemes \(Winding up etc.\) Regulations 2005 \(S.I. 2005/706\)](#), regs. 1(2), **18(10)** (with [reg. 18\(11\)](#))

**Increases of cash equivalents on late payment**

**29.**—(1) Subject to paragraph (2), if the trustees or managers of a scheme, having received an application under section 101F(1) of the 1993 Act (power to give transfer notice), fail to comply with the transfer notice within 6 months of the valuation date, the eligible member's cash equivalent, as calculated in accordance with regulations 24<sup>F34</sup> ... and 28, shall be increased by the amount, if any, by which that cash equivalent falls short of what it would have been if the valuation date had been the date on which the trustees or managers carry out what the eligible member requires.

(2) If the trustees or managers of a scheme, having received an application under section 101H of the 1993 Act, fail without reasonable excuse to do what is needed to carry out what the eligible member requires within 6 months of the valuation date, the eligible member's cash equivalent, as calculated in accordance with regulations 24<sup>F34</sup> ... and 28, shall be increased by—

- (a) the interest on that cash equivalent calculated on a daily basis over the period from the valuation date to the date on which the trustees or managers carry out what the eligible member requires, at an annual rate of one per cent. above base rate; or, if it is greater,
- (b) the amount, if any, by which that cash equivalent falls short of what it would have been if the valuation date had been the date on which the trustees or managers carry out what the eligible member requires.

**Textual Amendments**

- F34** Words in [reg. 29](#) omitted (6.4.2016) by virtue of [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(9)**

**Personal pension schemes: increases and reductions of cash equivalents**

**30.**—(1) If the whole or any part of the cash equivalent of the [<sup>F35</sup>pension credit rights] under section 101F of the 1993 Act has been surrendered, commuted or forfeited before the date on which the trustees or managers comply with the transfer notice, the cash equivalent shall be reduced in proportion to the reduction in the total value of the benefits.

(2) If the trustees or managers of a personal pension scheme, having received a transfer notice under section 101F(1) of the 1993 Act, fail without reasonable excuse to comply with the transfer notice within 6 months of the valuation date, the eligible member's cash equivalent shall be increased by—



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- (a) the interest on that cash equivalent, calculated on a daily basis over the period from the date the notice is given until the date on which the trustees or managers carry out what the eligible member requires, at the same rate as that payable for the time being on judgment debts by virtue of section 17 of the Judgments Act 1838 <sup>M4</sup>; or, if it is greater,
- (b) the amount, if any, by which that cash equivalent falls short of what it would have been if the date on which the transfer notice is given had been the date on which the trustees or managers comply with it.

#### Textual Amendments

**F35** Words in [reg. 30\(1\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **5(10)**

#### Marginal Citations

**M4** 1 & 2 Vic. c. 110; the rate of interest was amended by [S.I. 1993/564](#).

#### Civil Penalties

**31.** Where section 10 of the 1995 Act <sup>M5</sup> (civil penalties) applies by virtue of section 101H(4) or section 101J(4)(b) of the 1993 Act, the maximum amount for the purposes of section 10(1) of the 1995 Act shall be £1,000 in the case of an individual, and £10,000 in any other case.

#### Marginal Citations

**M5** Section 10 is amended by paragraph 11 of Schedule 2 to the Welfare Reform and Pensions Act 1999.



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There are currently no known outstanding effects for the The Pension Sharing (Pension Credit Benefit) Regulations 2000, PART III.