
STATUTORY INSTRUMENTS

2000 No. 3386

The London Transport Pension Arrangements Order 2000

Obligations as to transfer values

6.—(1) Where the trustees of a pension scheme (“the transferring scheme”) are obliged to pay a transfer value in respect of a protected person to another scheme in which the person is entitled to participate in pursuance of his rights under this Order (“the receiving scheme”), they must pay—

- (a) an amount which is not less than the minimum transfer amount, or
- (b) so much of the minimum transfer amount as they are able, having regard to the provisions of the transferring scheme and the share of the fund of that scheme attributable to the protected person.

(2) In this article “the minimum transfer amount” means—

- (a) the cash equivalent of the pension rights in respect of the protected person, as calculated under the Pension Schemes Act 1993⁽¹⁾, or
- (b) if it is greater, the amount necessary to provide the benefits to which the protected person would have been entitled under the transferring scheme.

(3) For the purposes of this article—

- (a) the amount referred to in paragraph (2)(b) is to be taken to be such amount as the actuary appointed by the trustees of the transferring scheme for the purpose considers so necessary after consultation with the actuary appointed by the trustees of the receiving scheme for the purpose; and
- (b) those actuaries must have regard to all relevant matters, including any increase in the value of the pension rights attributable to any increase in the final earnings of the protected person which would have been expected apart from the transfer.

(4) In a case where a payment within paragraph (1)(b) is made—

- (a) before—
 - (i) the end of the period of three months beginning with the date on which that payment is made, or
 - (ii) if it is later, the end of the period of five months beginning with the date on which the obligation to pay the transfer value arises,

the person who was the employer of the protected person before the transfer shall pay the shortfall to the trustees of the receiving scheme, and

- (b) if he does not do so, then, without prejudice to the obligation imposed under paragraph (a), before the end of the period of six months beginning with that date the person who is the employer of the protected person after the transfer shall pay those trustees the difference between—

- (i) the aggregate of what is paid under paragraph (1) and sub-paragraph (a), and
- (ii) the minimum transfer amount.

(1) 1993 c. 48.

(5) The trustees of a pension scheme to which a transfer value in respect of a protected person is paid shall secure that—

- (a) in so far as the acquired rights represent pension rights which had accrued to or in respect of the person before his relevant transaction, they are overall materially at least as good as those in respect of him under the LRT Pension Fund at the date of that transaction,
- (b) in so far as the acquired rights represent pension rights which accrued to or in respect of him in respect of his service after that transaction, they are overall materially at least as good as his pre-transaction service rights, and
- (c) the pension rights which accrue to or in respect of him under the scheme in respect of his service after he begins to participate in the scheme are overall materially at least as good as his pre-transaction service rights.

(6) In paragraph (5)—

“acquired rights” means the pension rights acquired by and in respect of the protected person under the scheme as a result of the payment of the transfer value; and

“pre-transaction service rights” means the pension rights accruing to or in respect of the protected person under the LRT Pension Fund in respect of service immediately before his relevant transaction.