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STATUTORY INSTRUMENTS

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**2006 No. 1337**

**The Occupational Pension Schemes (Contracting-out) (Amendment) Regulations 2006**

**Amendment of the Occupational Pension Schemes (Contracting-out) Regulations 1996**

2.—(1) The Occupational Pension Schemes (Contracting-out) Regulations 1996(1) shall be amended as follows.

(2) In regulation 60(2) (payment of a guaranteed minimum pension as a lump sum)—

(a) in paragraph (1)(b) in head (i)(aa), for “of that Part” substitute “of Part 1 of Schedule 29 to that Act”;

(b) after paragraph (2) add—

“(3) Subject to paragraph (4), for the purposes of section 21(1) of the 1993 Act further circumstances are where the payment of a lump sum—

(a) is authorised under section 164 of the Finance Act 2004;

(b) is permitted by the lump sum rule in section 166 of that Act; and

(c) qualifies as a serious ill-health lump sum for the purposes of paragraph 4 of Part 1 of Schedule 29 to that Act.

(4) Where—

(a) under the scheme, an earner qualifies for a lump sum payment on the ground of serious ill-health; and

(b) the scheme also provides for the payment of a guaranteed minimum pension to the widow, widower or surviving civil partner of the earner (“a survivor’s pension”),

the scheme must continue to include provision for a survivor’s pension notwithstanding the payment of a lump sum to the earner.”.

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(1) S.I.1996/1172.

(2) Regulation 60 was substituted by article 8(10) of S.I. 2006/744.