
STATUTORY INSTRUMENTS

2014 No. 2336

The Armed Forces Pension Regulations 2014

PART 8

Transfers

CHAPTER 1

Preliminary

Interpretation

98.—(1) In this Part—

“guarantee date” has the meaning given in section 93A(2) of the PSA 1993;

“statement of entitlement” has the meaning given in section 93A(1) of the PSA 1993;

“transfer value” means an amount equal to—

- (a) the guaranteed cash equivalent as defined in section 94(1A) of the PSA 1993 calculated in accordance with regulations made under section 97 of that Act; or
- (b) a sum representing the aggregate of the amount in paragraph (a) and such other amount as may be payable by virtue of regulation 99 (right to require payment of a transfer value); and

“transfer value payment” means—

- (a) in Chapter 2, payment of a transfer value in respect of a member’s right to accrued benefits under this scheme; and
- (b) in Chapter 3, payment of a transfer value in respect of a member’s accrued rights under a pension scheme mentioned in regulation 106 (rights to request acceptance of transfer value payment).

(2) This Part applies in the case of a transfer to which the club transfer arrangements apply as it applies in other cases, except to the extent that—

- (a) any provision in this Part provides otherwise; or
- (b) the arrangements themselves made different provision.

CHAPTER 2

Transfers out

Right to require payment of a transfer value

99.—(1) This Chapter applies to a member to whom Chapter 4 of Part 4 of the PSA 1993 (transfer values) applies.

(2) This Chapter—

- (a) supplements the rights conferred by or under that Chapter; and

(b) is without prejudice to that Chapter.

(3) Accordingly, the deferred member is entitled to require payment of a transfer value in respect of the member's right to accrued benefits under this scheme.

(4) Paragraph (3) does not apply to benefits that are attributable (directly or indirectly) to a pension credit.

(5) Paragraph (3) does not apply if the member is entitled under regulation 96 (repayment of contributions) to repayment of the contributions the member has paid during the period of service ending with the member's ceasing to be an active member or acquires a right to a contribution refund under Chapter 5 of Part 4 of the PSA 1993.

Applications for statements of entitlement

100.—(1) A member who requires a transfer value payment must apply to the scheme administrator under section 93A(1) of the PSA 1993 for a statement of entitlement.

(2) The application must be in writing.

(3) The member may withdraw the application by notice in writing at any time before the statement is provided.

(4) The member may not make more than 2 applications in any period of 12 months.

Applications for a transfer value payment

101.—(1) A member who has been provided with a statement of entitlement may apply to the scheme administrator under section 95 of the PSA 1993 for a transfer value payment.

(2) The application must—

(a) specify the pension scheme or other pension arrangement to which the transfer value should be paid; and

(b) meet such other conditions as the scheme manager may require.

(3) The member may withdraw the application by notice in writing to the scheme administrator in accordance with section 100(1) of the PSA 1993.

(4) Under section 100(2) of that Act, a withdrawal is of no effect if an agreement for the use of the whole or part of the cash equivalent has already been entered into with a third party.

Calculating amount of the transfer value

102.—(1) If a transfer value payment is made later than 6 months after the guarantee date, the amount of the transfer value must be increased in accordance with regulations made under section 97 of the PSA 1993.

(2) If a transfer value is less than the minimum transfer value, the amount of the transfer value must be increased so that it is equal to the amount of the minimum transfer value.

(3) For the purpose of paragraph (2), "the minimum transfer value" is the sum of the following amounts—

(a) the amount of the member's contributions under Part 7 (contributions to purchase added pension); and

(b) the amount of any transfer value payments and cash transfer sums accepted in relation to the member under this Part.

Ways in which a transfer value payment may be used

103.—(1) A member may only require the scheme manager to use a transfer value payment in a way specified in section 95(2) of the PSA 1993.

(2) The whole of the transfer value must be applied subject to paragraph (4).

(3) A transfer value payment may only be made to—

- (a) a registered pension scheme; or
- (b) a pension arrangement that is a qualifying recognised overseas pension scheme for the purposes of Part 4 of the FA 2004 (see section 169(2) of that Act).

(4) If section 96(2) of the PSA 1993 applies, there may be excluded from the transfer value payment the benefits attributable to—

- (a) the member's accrued rights to a guaranteed minimum pension; or
- (b) the member's accrued rights attributable to service in contracted-out employment on or after 6 April 1997.

Effect of transfers out

104. If a transfer value payment is made under this Chapter in respect of a member's accrued rights under this scheme, those rights are extinguished.

CHAPTER 3

Transfers in

Interpretation

105. In this Chapter, “transfer date” means the day on which the transfer value payment is received by the scheme manager.

Rights to request acceptance of transfer value payment

106.—(1) This Chapter applies to an active member who has accrued rights under—

- (a) another occupational pension scheme that—
 - (i) is a registered pension scheme; and
 - (ii) is not a connected scheme; or
- (b) a personal pension scheme.

(2) The member may request that the scheme manager accept payment of a transfer value in respect of some or all of those accrued rights.

(3) In this regulation, “accrued rights” does not include rights that are attributable (directly or indirectly) to a pension credit.

Procedure for making a request

107.—(1) A request under regulation 106(2) (“a request”)—

- (a) must be in writing;
- (b) must specify—
 - (i) the pension scheme or arrangement from which the transfer value payment is requested to be made; and
 - (ii) the anticipated amount of the payment; and

- (c) must meet such other conditions as the scheme manager may require.
- (2) A request must be made during the period of 12 months beginning with the day on which the member becomes an active member of this scheme.
- (3) The scheme manager may direct that a transfer payment request is to be treated as having been made earlier than it was if the scheme manager considers it reasonable to do so in the circumstances.
- (4) On receiving a transfer payment request, the scheme manager may accept the transfer payment if any conditions required by the scheme manager are met.
- (5) The scheme manager may not accept a transfer value payment if—
 - (a) it would be applied in whole or in part in respect of—
 - (i) the member's entitlement to a guaranteed minimum pension; or
 - (ii) the entitlement of the member's spouse to a guaranteed minimum pension; and
 - (b) it is less than the amount required for that purpose, as calculated in accordance with guidance and tables determined by the scheme manager for the purposes of this paragraph, after consultation with the scheme actuary.

Transfer statement

108.—(1) This regulation applies in relation to—

- (a) a request for a transfer payment to be accepted from another pension scheme that is not a club scheme; and
- (b) a request for a transfer payment in respect of added pension to be accepted from another club scheme.

(2) The scheme manager may require that, before making a transfer payment request, a member must ask the scheme manager to provide a statement of the amount of transferred pension that the member will be entitled to count under regulation 109 (amount of transferred pension).

(3) The amount specified in the transfer statement must be an amount calculated by the scheme manager in accordance with actuarial guidance and tables by reference to—

- (a) factors relating to the member's circumstances as at the end of that 2 month period; and
- (b) any other factors as at the date of the statement that the scheme manager, having consulted the scheme actuary, considers should apply.

Amount of transferred pension

109.—(1) This regulation applies in relation to—

- (a) Any transfer payment received in relation to a member from another pension scheme that is not a club scheme; and
- (b) Any transfer payment in respect of added pension received in relation to a member from another club scheme.

(2) For the scheme year in which the transfer date falls, the amount of transferred pension a member is entitled to count in respect of the transfer payment is—

- (a) the amount specified in the transfer statement; or
- (b) if such a statement is not provided, an amount calculated by the scheme manager in accordance with actuarial guidance and tables by reference to any factors as at the transfer date that the scheme manager, after consultation with the scheme actuary, considers should apply.

Club transfer value statement

110.—(1) This regulation applies in relation to a request for a club transfer value payment to be accepted from another club scheme.

(2) The scheme manager may require that, before making the transfer payment request, the member must ask the scheme manager to provide a statement of the amount of club transfer earned pension that the member will be entitled to count under regulation 111 (amount of club transfer earned pension) if the transfer date falls within the period of 2 months beginning with the date of that statement.

(3) The amount of club transfer earned pension specified in the statement must be calculated by the scheme manager in accordance with actuarial guidance and tables by reference to—

- (a) factors relating to the member's circumstances as at the end of that 2 month period; and
- (b) any other factors as at the date of the statement that the scheme manager, after consultation with the scheme actuary, considers should apply.

(4) The statement must specify the basis on which an amount of accrued earned pension is revalued under the sending scheme while a member is in pensionable service under that scheme.

Amount of club transfer earned pension

111.—(1) This regulation applies in relation to a club transfer value payment received from another club scheme.

(2) For the scheme year in which the transfer date falls, the amount of club transfer earned pension the member is entitled to count in respect of a club transfer value payment is—

- (a) the amount specified in the club transfer value statement; or
- (b) if such a statement is not provided, an amount calculated by the scheme manager in accordance with actuarial guidance and tables by reference to any factors as at the transfer date that the scheme manager, in accordance with the guidance of the scheme actuary, considers should apply.

CHAPTER 4

Miscellaneous provisions

EU and overseas transfers

112.—(1) This regulation applies in the case of a member whose transfer is subject to transfer arrangements concluded with—

- (a) the Communities Pension Scheme of the Institutions of the European Communities; or
- (b) any other scheme for the provision of retirement benefits established outside the United Kingdom.

(2) The scheme applies in relation to the member with such modifications as the scheme manager considers necessary to comply with—

- (a) the terms of those arrangements;
- (b) any applicable provision contained in or made under any enactment; and
- (c) the requirements to be met by a registered pension scheme.