STATUTORY INSTRUMENTS

2017 No. 1272

PENSIONS

The Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) (Amendment No. 2) Regulations 2017

Made - - - -	*12th December 2017*
Coming into force - -	*6th April 2018*

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 48(3)(b) and 86 of the Pension Schemes Act 2015(**1**).

A draft of this instrument has been laid before Parliament in accordance with section 84(2)(b) of the Pension Schemes Act 2015 and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) (Amendment No. 2) Regulations 2017 and come into force on 6th April 2018.

Amendments to the Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) Regulations 2015

2. The Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) Regulations 2015(**2**) are amended as set out in regulations 3 to 5.

Amendment to regulation 1

3. In regulation 1(3) (interpretation), after the definition of "guarantee date" insert—

> ""pension credit rights" has the meaning given in section 101B of the 1993 Act (interpretation)(**3**);".

(**1**) 2015 c. 8.
(**2**) S.I. 2015/742, amended by S.I.s 2016/289 and 2017/717.
(**3**) Section 101B of the Pension Schemes Act 1993 (c. 48) ("the 1993 Act") was inserted by section 37 of the Welfare Reform and Pensions Act 1999 (c. 30).

Amendment to regulation 5

4. For regulation 5 (exception to section 48(1)) substitute—

"**Exception to section 48(1)**

5.—(1) The trustees or managers are not required to carry out the check in section 48(1) of the Act(**4**) if the transfer value of the member's or survivor's subsisting rights in respect of safeguarded benefits(**5**) under the pension scheme is £30,000 or less on the valuation date.

(2) In this regulation "transfer value" means—

(a) where the rights referred to in paragraph (1) are transferrable rights as defined in section 93(11) of the 1993 Act (scope of Chapter 1)(**6**), the amount of the cash equivalent of those rights calculated in accordance with section 97 of that Act (calculation of cash equivalents)(**7**) and regulations made under it;

(b) where the rights referred to in paragraph (1) are pension credit rights, the amount of the cash equivalent of those rights calculated in accordance with regulations made under section 101I of the 1993 Act (pension credit rights: calculation of cash equivalents)(**8**);

(c) in any other case, the amount which would be the cash equivalent of the rights referred to in paragraph (1), calculated in accordance with section 97 of the 1993 Act and regulations made under it, as if—

(i) Chapter 1 of Part 4ZA of the 1993 Act (transfer rights: general) applied to the member or survivor by virtue of those rights;

(ii) references to a member in that Chapter and regulations made under it included a survivor of a member; and

(iii) in the case of an active member, the member had ceased to accrue rights to benefits on the valuation date,

but, in each case, disregarding regulations 7D (reductions to initial cash equivalents) and 7E (alternative manner of calculating and verifying cash equivalents) of the Transfer Values Regulations(**9**).".

Amendments to regulation 8

5. In regulation 8(6) (information to be provided on initial enquiry)—

(a) for "value" substitute "transfer value (as defined in regulation 5(2))"; and

(b) omit "in accordance with regulation 5(2)".

Transitional provision

6.—(1) In this regulation—

"the Advice Regulations" means the Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) Regulations 2015;

(**4**) *See* regulation 1(3) of S.I. 2015/742 for the meaning of "the Act".
(**5**) *See* section 48(8) of the Pension Schemes Act 2015 for the meaning of "safeguarded benefits".
(**6**) Section 93 of the 1993 Act was substituted by paragraph 8 of Schedule 4 to the Pension Schemes Act 2015.
(**7**) Section 97 of the 1993 Act was amended by section 96(2) of the Pension Schemes Act 2015 and paragraph 11 of Schedule 4 to that Act.
(**8**) Section 101I of the 1993 Act was inserted by section 37 of the Welfare Reform and Pensions Act 1999.
(**9**) S.I. 1996/1847; relevant amending instruments are S.I.s 2008/1050, 2014/1711 and 2015/498.