STATUTORY INSTRUMENTS

2017 No. 600

PENSIONS

The Contracting-out (Transfer and Transfer Payment) (Amendment) Regulations 2017

Made - - - -	*at 10.00 a.m. on 26th April 2017*
Laid before Parliament	*at 2.30 p.m. on 26th April 2017*
Coming into force - -	*3rd July 2017*

The Secretary of State for Work and Pensions, in exercise of the powers conferred by sections 12C(1)(a), 20(1)(a)(iii), 181, 182(2) and (3) and 183(1) of the Pension Schemes Act 1993(**1**), makes the following Regulations.

The Secretary of State has consulted such persons as the Secretary of State considers appropriate, in accordance with section 185(1)(**2**) of the Pension Schemes Act 1993.

Citation and commencement

1. These Regulations may be cited as the Contracting-out (Transfer and Transfer Payment) (Amendment) Regulations 2017 and come into force on 3rd July 2017.

Amendment of the Contracting-out (Transfer and Transfer Payment) Regulations 1996

2.—(1) The Contracting-out (Transfer and Transfer Payment) Regulations 1996(**3**) are amended as follows.

(2) In regulation 1(2) (interpretation) insert at the appropriate places—

""assessment period" has the meaning given in section 132 of the Pensions Act 2004 (assessment periods)(**4**);"; and

(**1**) 1993 c.48. Section 12C was inserted by section 136(5) of the Pensions Act 1995 (c.26) and is repealed by the Pensions Act 2014 (c.19) subject to savings specified in S.I. 2015/1502, article 2. Section 20(1) was amended by Schedule 13 to the Pensions Act 2014 and Schedule 5 to the Child Support, Pensions and Social Security Act 2000 (c.19). Section 181 is cited for the meaning it gives to "prescribed" and "regulations". Section 183(1) was amended by Schedules 5 and 6 and Parts 3 and 4 of Schedule 7 to the Pensions Act 1995.

(**2**) Section 185(1) was amended by sections 122, 151 and 177 of, and Schedules 3 and 5 and Part 1 of Schedule 7 to, the Pensions Act 1995 (c.26).

(**3**) S.I. 1996/1462.

(**4**) 2004 c.35.

""regulated apportionment arrangement" has the meaning given in regulation 2(1) of the Occupational Pension Schemes (Employer Debt) Regulations 2005 (interpretation)(**5**);".

(3) In regulation 2 (general)—

(a) in paragraph (3), for "or 4" substitute ", 4 or 6A";

(b) after paragraph (3) insert—

"(3A) A transfer payment from an occupational pension scheme in respect of the payment of guaranteed minimum pensions to or in respect of a person who has become entitled to them may be made in accordance with regulation 6A and no such transfer payment may be made otherwise.";

(c) in paragraph (4), for "6" substitute "6A" and after "in respect of" insert "the payment of guaranteed minimum pensions or a payment in respect of".

(4) In Part 2, after regulation 6 (transfer payments in respect of guaranteed minimum pensions to overseas schemes), insert—

"**Transfers in respect of guaranteed minimum pensions in the case of a regulated apportionment arrangement or where an assessment period has commenced**

6A.—(1) This regulation applies in relation to an occupational pension scheme where—

(a) there is an assessment period in relation to the scheme; or

(b) a regulated apportionment arrangement has been entered into in relation to the scheme.

(2) A transfer of liability for, or a transfer payment in respect of, the payment of guaranteed minimum pensions to or in respect of a person who has become entitled to them may be made from an occupational pension scheme to which this regulation applies ("the transferring scheme") to an occupational pension scheme which is not an overseas scheme or overseas arrangement ("the receiving scheme") if the person to whom the pension is payable—

(a) consents to the transfer in writing;

(b) acknowledges in writing to the transferring scheme the receipt of a statement showing the benefits to be awarded in respect of the transfer; and

(c) acknowledges in writing to the transferring scheme the person's acceptance that—

(i) the benefits to be provided by the receiving scheme may be in a different form and of a different amount to those which would have been provided by the transferring scheme; and

(ii) there is no statutory requirement on the receiving scheme to provide for survivor's benefits in relation to the transfer.".

(5) In regulation 7 (general)(**6**)—

(a) in paragraph (2)(b), after "regulation 9" insert "or a transfer in accordance with regulation 11A";

(b) after paragraph (2) insert—

"(2A) A transfer payment from an occupational pension scheme that was a salary-related contracted-out scheme in respect of the payment of pensions under that occupational pension scheme deriving from section 9(2B) rights to or in respect of a person who has become entitled to them may be made in accordance with regulation 11A and no such transfer payment may be made otherwise.";

(**5**) S.I. 2005/678. The definition of "regulated apportionment arrangement" was inserted by S.I. 2008/731, regulation 4(2)(e).
(**6**) Regulation 7 was amended by S.I. 1997/786, S.I. 2013/459 and S.I. 2016/200.