STATUTORY INSTRUMENTS

2015 No. 498

PENSIONS

The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015

Made - - - - *3rd March 2015*

Laid before Parliament *9th March 2015*

Coming into force in accordance with regulation 1

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 93(5) and (10)(a) and (b), 93A(5), 95(2)(b) and (6A), 97(1), (2)(a) and (b), (3B) and (4), 99(4A) and (4B), 101F(6A), 113(1) and (3), 181(1), 182(2) and (3) and 183(1) of the Pension Schemes Act 1993(**1**), section 10(2)(b) of the Pensions Act 1995(**2**) and sections 83(1) and 86 of the Pension Schemes Act 2015(**3**).

Except in relation to regulation 14, by virtue of section 185(2)(d) of the Pension Schemes Act 1993(**4**) these Regulations were not subject to consultation, because in this case it appeared to the Secretary of State that by reason of urgency consultation was considered inexpedient. In the case of regulation 14, in accordance with section 185(1) of the Pension Schemes Act 1993(**5**), the Secretary of State has consulted such persons as the Secretary of State considers appropriate.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations 2015.

(2) Subject to paragraph (3), these Regulations come into force on 6th April 2015.

(**1**) 1993 c.48. Sections 93 and 93A were substituted by the Pension Schemes Act 2015 c.8 ("the 2015 Act"), section 67 and paragraph 8 of Schedule 4. Section 95(6A) was inserted by the 2015 Act, section 67 and paragraph 9(4) of Schedule 4. Section 97 was amended by the 2015 Act, section 67 and paragraph 11 of Schedule 4. Section 99(4A) was inserted by the Pensions Act 1995 (c.26), section 173 and paragraph 6(c) of Schedule 6 and amended by the Pensions Act 2004 (c.35, section 319(1) and paragraphs 9 and 14(b) of Schedule 12. Section 99(4B) was inserted by the 2015 Act, section 67 and paragraph 13(5) of Schedule 4. Section 101F(6A) was substituted by the 2015 Act, section 67 and paragraph 15(5) of Schedule 4. Section 113(1) was amended by the Child Support, Pensions and Social Security Act 2000 (c.19) section 52(1). Section 181(1) is cited for the meaning it gives to "prescribe" and "regulations". Section 183(1) was amended by the Pension Act 1995, sections 151, 173 and 177 and paragraph 79 of Schedule 5, paragraph 15(a) of Schedule 6 and Parts 3 and 4 and Schedule 7.

(**2**) 1995 c.26.

(**3**) 2015 c.8.

(**4**) Section 185(2)(d) was inserted by the Pensions Act 1995, section 151 and Schedule 5, paragraph 80(b).

(**5**) Section 185(1) was amended by the Pensions Act 1995, sections 122, 151 and 177 and Schedule 3, paragraph 46 and Schedule 5, paragraph 80.

(3) Regulation 14 comes into force on 1st April 2017.

(4) In these Regulations, "the 1996 Regulations" means the Occupational Pension Schemes (Transfer Values) Regulations 1996(**6**).

Amendment of Part 1 of the 1996 Regulations

2. In regulation 1(2) (interpretation) of the 1996 Regulations—

(1) In the appropriate alphabetical place, insert—

""categories of benefits" refers to the categories listed in paragraphs (a) to (c) of section 93(6) of the 1993 Act;".

(2) In the definition of "cash balance benefit"(**7**), for "by regulation 2 of the Pensions Act 2011 (Transitional, Consequential and Supplementary Provisions) Regulations 2014" substitute "to that expression in section 75 of the Pension Schemes Act 2015".

(3) In the definition of "cash equivalent", for "or guaranteed cash equivalent mentioned in section 93A(1) or 94(1)" substitute "mentioned in section 94(1) or (2)".

(4) In the definition of "guarantee date", for "section 93A(2)" substitute "section 93A(4)".

(5) Omit the definition of "relevant date".

(6) In the definition of "statement of entitlement"(**8**), for "section 93A(1) of the 1993 Act (salary related schemes: right to statement of entitlement)" substitute "section 93A(3) of the 1993 Act (right to statement of entitlement: benefits other than money purchase)".

Amendment of Part 2 of the 1996 Regulations

3.—(1) Part 2 (restrictions on right to cash equivalent) of the 1996 Regulations is amended as follows.

(2) In regulation 2 (pre-1986 leavers)(**9**), for "Chapter IV of Part IV" substitute "Chapter 1 of Part 4ZA".

(3) Omit regulations 3 (rules on continuation in employment after termination of pensionable service), 4 (right to further cash equivalent on termination of employment to which the scheme applies) and 5 (treatment of a number of employments as a single employment).

Amendment of Part 3 of the 1996 Regulations

4.—(1) Part 3 (guaranteed statements of entitlement and calculation of transfer values) of the 1996 Regulations is amended as follows.

(2) In the heading to Part 3, omit the word "guaranteed".

(3) In the heading to regulation 6, omit the word "Guaranteed".

(4) In regulation 6 (guaranteed statements of entitlement)—

(a) in paragraph (1)(a)(**10**), omit the words "under section 93A of the 1993 Act (salary related schemes: right to statement of entitlement)";

(b) in paragraph (1B)(**11**), omit the definition of "application";

(c) after paragraph (1B) insert—

(**6**) S.I. 1996/1847.
(**7**) The definition of "cash balance benefit" was inserted by S.I. 2014/1711, regulation 32(1) and (2)(a).
(**8**) The definition of "statement of entitlement" was inserted by S.I. 2008/1050, regulation 2(2)(a).
(**9**) Regulation 2 was amended by S.I. 2013/459, regulation 6.
(**10**) Paragraph (1) of regulation 6 was substituted by S.I. 2008/1050, regulation 3.
(**11**) Paragraph (1B) of regulation 6 was inserted by S.I. 2005/686, regulation 4(2)(b).

"(1C) Where a member has transferrable rights in relation to two categories of benefits other than money purchase benefits, the trustees or managers must provide the member with a statement of entitlement setting out a separate cash equivalent in relation to each of the categories of benefits, unless the member's application relates to one of the categories of benefits only.";

(d) in paragraph (3), omit the words "under section 93A(1) of the 1993 Act";

(e) omit paragraph (4);

(f) insert at the end—

"(5) In this regulation, "application" means an application for a statement of entitlement made under section 93A(1) of the 1993 Act (right to statement of entitlement: benefits other than money purchase).".

(5) In regulation 7C(3)(b)(ii) (manner of calculation of initial cash equivalents for money purchase benefits)(**12**), for "Chapter IV of Part IV" substitute "Chapter 1 of Part 4ZA".

(6) In regulation 7D(3) (reductions to initial cash equivalents)(**13**), for "paragraphs 7 to 11" substitute "paragraphs 7, 10, 11".

(7) In the heading to regulation 9, for "guaranteed cash equivalents" substitute "cash equivalents shown in the statement of entitlement".

(8) In regulation 9 (increases and reductions of guaranteed cash equivalents)—

(a) for paragraph (1), substitute—

"(1) This regulation applies to a cash equivalent in respect of transferrable rights in relation to categories of benefits other than money purchase benefits where a statement of entitlement has been sent to a member of a salary related scheme by the trustees of the scheme.";

(b) in paragraphs (2), (3)(**14**), (5) and (6), in each place where it appears, for "guaranteed cash equivalent" substitute "cash equivalent shown in the statement of entitlement";

(c) in paragraph (5), for "Chapter IV of Part IV" substitute "Chapter 1 of Part 4ZA".

(9) In regulation 11 (disclosure)—

(a) for paragraph (1)(**15**) substitute—

"(1) Subject to paragraphs (1A) and (1B), a member to whom paragraph (1C) applies is entitled to receive from the trustees, on request, the information mentioned in Schedule 1 in writing.";

(b) after paragraph (1B)(**16**) insert—

"(1C) This paragraph applies—

(a) to a member who is currently accruing rights to one of the categories of benefits; and

(b) to a member who is no longer accruing rights to money purchase benefits unless, in respect of those benefits, a crystallisation event under section 93(7) has occurred.";

(c) omit paragraph (3)(**17**);

(**12**) Regulation 7C was substituted by S.I. 2008/1050, regulation 4.
(**13**) Paragraph (3) of regulation 7D was substituted by S.I. 2014/1711, regulation 32(1) and (7)(b).
(**14**) Paragraph (3) of regulation 9 was amended by S.I. 2005/706, regulation 15(1) and (7).
(**15**) Paragraph (1) of regulation 11 was substituted by S.I. 2008/1050, regulation 5(a).
(**16**) Paragraph (1B) of regulation 11 was substituted by S.I. 2008/1050, regulation 5(a).
(**17**) Paragraph (3) of regulation 11 was amended by S.I. 2008/1050, regulation 5(c).

(d) in paragraph (4)(**18**)—

(i) for "to a guaranteed cash equivalent" substitute "provided under section 93A of the 1993 Act";

(ii) in sub-paragraph (b)(ii) after the first appearance of the words "cash equivalent" insert "in relation to each of the categories of benefits";

(iii) after sub-paragraph (b)(ii), insert—

"(iia) indicating the amount of the cash equivalent which is attributable to each of the categories of benefits included in the statement of entitlement;";

(e) in paragraphs (4)(b)(ii), (iv), (v) and (vi) and (5), in each place where it appears, for "guaranteed cash equivalent" substitute "cash equivalent shown in the statement of entitlement".

Amendment of Part 5 of the 1996 Regulations

5. In regulation 13(a)(vi) (extension of time for payment of cash equivalents) of the 1996 Regulations, for "guaranteed cash equivalent" substitute "cash equivalent shown in the statement of entitlement".

Amendment of Part 6 of the 1996 Regulations

6.—(1) Part 6 (modification of the 1993 Act) of the 1996 Regulations is amended as follows.

(2) For regulation 14 (extension of time within which member may exercise option to take a guaranteed cash equivalent), and the heading to that regulation, substitute—

"**Extension of time within which member may exercise option to take a cash equivalent shown in the statement of entitlement**

14.—(1) This regulation applies where—

(a) the member disputes the amount of the cash equivalent shown in the statement of entitlement within three months beginning with the guarantee date; or

(b) the member's cash equivalent shown in the statement of entitlement has been reduced or increased under regulation 9, including where the member disputes the basis or amount of the increase or reduction within three months beginning with the date that the member is informed in writing that the cash equivalent has been reduced or increased.

(2) Where this regulation applies—

(a) if the member has made an application to take the cash equivalent under section 95(1) of the 1993 Act, that application lapses;

(b) the time for making a fresh application to take the cash equivalent under section 95(1) is extended so that the time is three months beginning with the date on which the member is informed in writing of—

(i) the reduced or increased cash equivalent; or, if later,

(ii) where the cash equivalent shown in the statement of entitlement has been disputed, the finally determined cash equivalent following the dispute, even where the cash equivalent has not changed; and

(**18**) Paragraph (4) of regulation 11 was amended by S.I. 2005/72, regulation 4(a) and S.I. 2008/1050, regulation 5(d), (e), (f) and (g).