

1996 No. 1461

PENSIONS

The Protected Rights (Transfer Payment)
Regulations 1996

<i>Made</i> - - - -	<i>5th June 1996</i>
<i>Laid before Parliament</i>	<i>11th June 1996</i>
<i>Coming into force</i>	<i>6th April 1997</i>

The Secretary of State for Social Security, in exercise of the powers conferred on him by sections 28(2)(b), 181(1)(a), 182(2) and (3) of, and paragraph 17(1) of Schedule 6 to, the Pension Schemes Act 1993(b) and of all other powers enabling him in that behalf, after agreement with the Occupational Pensions Board that certain proposals within these Regulations need not be referred to them, by this instrument, which otherwise contains regulations made only for the purpose of consolidating Regulations revoked herein(c), hereby makes the following regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Protected Rights (Transfer Payment) Regulations 1996 and shall come into force on 6th April 1997.

(2) In these Regulations—

“the 1993 Act” means the Pension Schemes Act 1993;

“the Abatement of Benefit Regulations” means the Personal and Occupational Pension Schemes (Abatement of Benefit) Regulations 1987(d);

“appropriate personal pension scheme” shall be construed in accordance with section 7 of the 1993 Act(e);

▶¹“mixed benefit contracted-out scheme” means an occupational pension scheme to which section 149(1) of the Pensions Act 1995 (hybrid occupational pension schemes) applies and which is contracted-out;◀

“money purchase contracted-out scheme” means an occupational pension scheme which is contracted-out by virtue of satisfying section 9(3) of the 1993 Act(f);

▶²“overseas arrangement” means a scheme or arrangement, other than an occupational pension scheme, which—

(a) has effect, or is capable of having effect, so as to provide benefits on termination of employment or on death or retirement to, or in respect of, earners;

(b) is not an appropriate personal pension scheme; and

¹Defn. of “mixed benefit contracted-out scheme” inserted by reg. 2 of S.I. 2005/2906 as from 28.11.05.

²Defn. of “overseas arrangement” inserted by reg. 3(2) of S.I. 2005/555 as from 6.4.05.

(a) Section 181(1) is cited because of the meaning there given to the words “prescribed” and “regulations”.

(b) 1993 c. 48.

(c) See section 185(2) and (6) of the Pension Schemes Act 1993 and section 173(1) of the Social Security Administration Act 1992 (c. 5), under which the requirement to consult does not apply where regulations are made only for the purpose of consolidating other regulations revoked by them or where the Occupational Pensions Board agrees that regulations need not be referred to them.

(d) S.I. 1987/1113. The relevant amending instrument is S.I. 1994/1062.

(e) Section 7 was amended by section 136(1) of and paragraph 22 of Schedule 5 to the Pensions Act 1995.

(f) Section 9(3) was amended by section 136(4) of and paragraph 24 of Schedule 5 to the Pensions Act 1995.

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¹Defn. of “overseas scheme” substituted by reg. 5(2) of S.I. 2007/814 as from 6.4.07.

²Words in defn. of “overseas scheme” substituted by Sch. to S.I. 2007/3014 as from 26.11.07.

³Words in defn. of section “9(2B) rights” substituted by reg. 6(2)(b) of S.I. 1997/786 as from 6.4.97.

⁴Words deleted in reg. 1(2)(b)(ii) by reg. 13 of S.I. 1999/3198 as from 30.12.99.

⁵Reg. 2 substituted by reg. 3 of S.I. 2005/2906 as from 28.11.05.

(c) is administered wholly or primarily outside the United Kingdom; ◀

¹“overseas scheme” means—

- (a) an occupational pension scheme which has its main administration outside the ²EEA state ◀; or
- (b) a European pensions institution as defined in section 293(8) of the Pensions Act 2004 (functions of Regulator in relation to institutions administered in other member States),

but does not include one which is contracted-out within the meaning of section 7(3) of the 1993 Act nor one in respect of which section 53 of the 1993 Act applies by virtue of section 52(1) of that Act. ◀

“post-97 protected rights” means—

- (a) protected rights which are attributable to payments or contributions in respect of employment carried on or after the principal appointed day; and
- (b) protected rights which derive from section 9(2B) rights which have been the subject of a transfer payment;

“pre-97 protected rights” means—

- (a) protected rights which are attributable to payments or contributions in respect of employment carried on before the principal appointed day; and
- (b) protected rights which derive from guaranteed minimum pensions which have been the subject of a transfer payment;

“the principal appointed day” has the meaning given to that expression by section 7(2B) of the 1993 Act (a);

“protected rights” has the meaning given to that expression by section 10 of the 1993 Act (b);

“salary-related contracted-out scheme” means an occupational pension scheme which is contracted-out by virtue of satisfying section 9(2) of the 1993 Act (c);

“scheme” means an occupational pension scheme or a personal pension scheme;

³“section 9(2B) rights” are—

- (a) rights to the payment of pensions and accrued rights to pensions (other than rights attributable to voluntary contributions) under a scheme contracted-out by virtue of section 9(2B) of the 1993 Act, so far as attributable to an earner’s service in contracted-out employment on or after the principal appointed day; and
- (b) where a transfer payment has been made to such a scheme, any rights arising under the scheme as a consequence of that payment which are derived directly or indirectly from—
 - (i) such rights as are referred to in sub-paragraph (a) under another scheme contracted-out by virtue of section 9(2B) of that Act; or
 - (ii) protected rights under another occupational pension scheme or under a personal pension scheme attributable to payments or contributions in respect of ⁴◀ employment on or after the principal appointed day ◀.

“trustees”, in relation to a scheme which is not set up or established under a trust, means the managers of the scheme.

General

⁵2.—(1) Effect may be given to a member’s protected rights by making a transfer payment from—

- (a) an appropriate personal pension scheme;
- (b) a money purchase contracted-out scheme;
- (c) the money purchase part of a mixed benefit contracted-out scheme; or
- (d) a scheme mentioned in sub-paragraph (a), (b) or (c) which has ceased to be a contracted-out scheme,

to a scheme specified in paragraph (2) below.

(a) Section 7(2B) was inserted by section 136(1) of the Pensions Act 1995.

(b) Section 10 was amended by paragraph 25 of Schedule 5 to the Pensions Act 1995.

(c) Section 9(2) was amended by section 136(3) of the Pensions Act 1995.

- (2) A transfer payment in respect of protected rights may be made to either an—
- (a) appropriate personal pension scheme; or
 - (b) occupational pension scheme,
- in accordance with regulations 3 to 5.

(3) In these Regulations a “transfer payment” means a transfer payment such as is described in this regulation◀.

Transfer payments to appropriate personal pension schemes

Reg. 3 substituted by reg. 4 of S.I. 2005/2906 as from 25.11.05

- 3.** A transfer payment may be made to an appropriate personal pension scheme if—
- (a) the member consents in writing or regulation 3A applies;
 - (b) the transfer payment (or, if it forms part of a larger payment giving effect to both protected rights and other rights, that part of it which gives effect to protected rights) is of an amount at least equal to the cash equivalent of the protected rights to which effect is being given, as calculated and verified in a manner consistent with regulations made under section 97 of the 1993 Act^(a) (calculation of cash equivalents); and
 - (c) the transfer payment in respect of the member’s protected rights is applied so as to provide money purchase benefits under the receiving scheme for or in respect of the member.◀

Transfer payment from stakeholder pension without the member’s consent

Reg. 3A inserted by reg. 29(3) of S.I. 2000/1403 as from 1.10.00.

3A. This regulation applies where—

- (a) a transfer payment is made to a scheme, which is registered as a stakeholder pension scheme under Section 2 of the Welfare Reform and Pensions Act 1999 or under Article 4 of the Welfare Reform and Pensions (Northern Ireland) Order 1999^(b), from a scheme which is or was so registered and which has commenced winding-up; and
- (b) regulation 6 of the Stakeholder Pension Schemes Regulations 2000 is complied with◀

Transfer payment to a money purchase contracted-out scheme or the money purchase part of a mixed benefit contracted-out scheme with the member’s consent

Regs. 3B & 3C inserted by reg. 5 of S.I. 2005/2906 as from 28.11.05.

3B.—(1) A transfer payment may be made to either—

- (a) a money purchase contracted-out scheme; or
 - (b) the money purchase part of a mixed benefit contracted-out scheme,
- if the conditions specified in paragraph (2) are satisfied.

(2) The conditions specified in this paragraph are—

- (a) the member consents in writing;
- (b) the transfer payment (or, if it forms part of a larger payment giving effect to both protected rights and other rights, that part of it which gives effect to protected rights) is of an amount at least equal to the cash equivalent of the protected rights to which effect is being given, as calculated and verified in a manner consistent with regulations made under section 97 of the 1993 Act;
- (c) the transfer payment in respect of the member’s protected rights is applied so as to provide money purchase benefits under the receiving scheme for or in respect of the member; and
- (d) either the member—
 - (i) is employed by an employer who is a contributor to the receiving scheme; or
 - (ii) has previously been a member of the receiving scheme.

(a) Section 97 was amended by paragraph 4 of Schedule 6 to the Pensions Act 1995 and paragraph 8(1) of Schedule 5 to the Child Support, Pensions and Social Security Act 2000
 (b) S.I. 1999/3147 (N.I. 11).

Reg. 3C

Transfer payment to a money purchase contracted-out scheme or the money purchase part of a mixed benefit contracted-out scheme without the member's consent

- 3C.—(1) A transfer payment may be made to either—
- (a) a money purchase contracted-out scheme; or
 - (b) the money purchase part of a mixed benefit contracted-out scheme,

without the member's consent if the requirements of paragraph (2) are satisfied.

- (2) The requirements of this paragraph are that the conditions specified in either—
- (a) paragraphs (3) and (4); or
 - (b) paragraph (8),

are satisfied.

- (3) The conditions specified in this paragraph are—
- (a) the transfer payment (or, if it forms part of a larger payment giving effect to both protected rights and other rights, that part of it which gives effect to protected rights) is of an amount at least equal to the cash equivalent of the protected rights to which effect is being given, as calculated and verified in a manner consistent with regulations made under section 97 of the 1993 Act;
 - (b) the transfer payment in respect of the member's protected rights is applied so as to provide money purchase benefits under the receiving scheme for or in respect of the member; and
 - (c) the transferring scheme is either—
 - (i) a money purchase contracted-out scheme;
 - (ii) the money purchase part of a mixed benefit contracted-out scheme; or
 - (iii) a scheme mentioned in head (i) or (ii) of this sub-paragraph which has ceased to be a contracted-out scheme.
- (4) The conditions specified in this paragraph are—
- (a) subject to paragraph (7), the trustees have sent a notice to the member at his last known postal address or electronic mail address in relation to the proposed transfer;
 - (b) a period of at least three months has elapsed from the date of the notice;
 - (c) the trustees have not received written notification within that period that the member objects to the transfer; and
 - (d) the transferring scheme and the receiving scheme bear a relationship to each other such as is described in regulation 12(2) of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991(a) (transfer of member's accrued rights without consent).
- (5) In paragraph (4)(a), "notice" means a notice in writing stating—
- (a) the names and addresses of the—
 - (i) transferring scheme; and
 - (ii) receiving scheme;
 - (b) the name of the person in the—
 - (i) transferring scheme; and
 - (ii) receiving scheme,
 that a member may contact for further information;
 - (c) the value of the rights which are to be transferred;

(a) S.I. 1991/167; relevant amending instruments are S.I. 1992/1531 and 1996/2131.

- (d) the nature of the rights which are to be transferred; and
- (e) that—
 - (i) the member has the right to object to the proposed transfer of his protected rights by sending a written notice to that effect to the trustees of the transferring scheme; and
 - (ii) the trustees of the transferring scheme may transfer that member's protected rights unless they receive that written notification of his objection to the proposed transfer within three months from the date of the notice.
- (6) For the purposes of paragraph (4)—
 - (a) where the trustees of the transferring scheme are notified of a delivery failure of a notice sent by electronic mail to a member for the purposes of paragraph (4)(a), the trustees shall send a further notice to the member's last known postal address unless he is an excluded person; and
 - (b) the date of the notice for the purposes of paragraph (4)(b) shall be the date of the second notice.
- (7) The trustees of a transferring scheme may transfer the protected rights of an excluded person without sending a notice to him.
- (8) The conditions specified in this paragraph are—
 - (a) the requirements of paragraphs (3)(a) to (c) and (4)(d) of this regulation are complied with;
 - ¹(b) the relevant actuary gives a certification, by completing the certificate in Schedule 3, in relation to the member's protected rights in the receiving scheme;
 - (ba) the relevant actuary sends that certificate to the trustees or managers of the transferring scheme.
 - (bb) the transfer takes place within three months of the date of the relevant actuary's signature in the certificate;
 - (bc) there are no significant changes to the benefits, data and documents used in making the certificate (see the benefits, data and documents specified in the certificate) by the date on which the transfer takes place; and◀
 - (c) where it is proposed that a member's protected rights are to be transferred in accordance with this paragraph, information about the proposed transfer and details of the value of the rights to be transferred shall be furnished to the member at least one month before the proposed transfer is due to take place, unless the member is an excluded person.
- (9) Where in response to either a notice issued under paragraph (4) or information furnished under paragraph (8)(c) a member consents in writing to the transfer of his protected rights under the scheme, the trustees of the scheme may give effect to the protected rights of that member by making a transfer payment in accordance with this regulation. However, the trustees shall not give effect to the protected rights of that member by making a transfer payment in accordance with regulation 3B.
- (10) In this regulation—
 - “the relevant actuary” has the meaning given by regulation 12(5) of the Occupational Pension Schemes (Preservation of Benefits) Regulations 1991;
 - “excluded person” means a member whose present address is not known to the trustees and in respect of whom correspondence sent by the trustees to his last address known to the trustees has been returned;
 - “transfer credits” means rights allowed to a member under the rules of a receiving scheme by reference to a transfer payment to that scheme of his protected rights from a transferring scheme.◀

¹Words substituted in reg. 3C(8)(b) by reg. 4(2) of S.I. 2011/672 as from 6.4.11.

Regs. 4-4A

Transfer payments to salary-related contracted-out schemes

4. A transfer payment may be made to a salary-related contracted-out scheme if—
- (a) the member consents in writing;
 - (b) the transfer payment (or, if it forms part of a larger payment giving effect to both protected and other rights, that part of it which gives effect to protected rights) is of an amount at least equal to the cash equivalent of the protected rights to which effect is being given, as calculated and verified in a manner consistent with regulations made under section 97 of the 1993 Act;
 - (c) the member—
 - (i) is employed by an employer who is a contributor to the receiving scheme, or
 - (ii) has previously been a member of the receiving scheme;
 - (d) where the transfer payment or any part of it gives effect to pre-97 protected rights, the receiving scheme, in consequence of that payment (or, where only part of it gives effect to such rights, of that part) provides for the member, and the member's ¹widow, widower or surviving civil partner◀ to be entitled, without prejudice to any other rights which the member receives under that scheme, to guaranteed minimum pensions equal to those to which they would have been treated as entitled by virtue of section 47(2) or (5) of the 1993 Act (further provisions concerning entitlement to guaranteed minimum pensions for the purposes of section 46), or section 48(2) of the 1993 Act^(a) (reduced benefits where minimum payments or minimum contributions paid) had the transfer payment not been made, except that the receiving scheme may make provision that any earnings factor of the member is to be revalued in accordance with section 16(2) of the 1993 Act (revaluation of earnings factors for purposes of section 14: early leavers etc.), as modified by regulation 6; and
 - (e) where the transfer payment or any part of it gives effect to post-97 protected rights, the transfer payment (or, where only part of it gives effect to post-97 protected rights, that part) is applied to provide rights for the member which, had they accrued in the receiving scheme, would be provided in accordance with the rules of the receiving scheme relating to earners who are in employment which is contracted-out in relation to the receiving scheme or have been in employment which was so contracted out ²on or after the principal appointed day.◀

¹Words substituted in reg. 4(d) by para. 24 of Sch. 2 to S.I. 2005/2050 as from 5.12.05.

²Words added to reg. 4(e) by reg. 6(3) of Sch. 1 to S.I. 1997/786 as from 6.4.97.

³Reg. 4A inserted by reg. 3(2) of S.I. 2002/681 as from 6.4.02.

³Transfer payments to section 53 schemes

4A.—(1) A transfer payment may be made to a section 53 scheme in the circumstances specified in paragraph (2) and subject to the conditions specified in paragraph (3).

- (2) The circumstances referred to in paragraph (1) are that—
- (a) the member consents in writing to the making of the transfer payment; and
 - (b) either—
 - (i) the member has entered employment with an employer who is or was a contributor to the section 53 scheme, or
 - (ii) the member was previously a member of the receiving scheme.

(a) Section 48(2) was amended by paragraph 58 of Schedule 1 to the Social Security Incapacity for Work Act 1994 (c. 18) and section 140(2) of the Pensions Act 1995.

(3) The conditions referred to in paragraph (1) are that—

- (a) the transfer payment (whether or not it forms part of a larger payment giving effect to both protected and other rights) is of an amount at least equal to the value of the protected rights to which effect is being given; and
- (b) the transfer payment is approved by the Inland Revenue, whether or not subject to conditions.

(4) In this regulation “section 53 scheme” means “an occupational pension scheme which was formerly a contracted-out scheme and which the Inland Revenue are under a duty to supervise in accordance with section 53 of the 1993 Act”.

Transfer payments to overseas schemes

5. A transfer payment may be made to an overseas scheme or an overseas arrangement◀ if—

- (a) the member consents in writing;
- (b) the trustees of the transferring scheme have taken reasonable steps to satisfy themselves that , where the receiving scheme is an occupational pension scheme, the member is in employment to which the receiving scheme applies.◀
- (c) the transfer payment (or, if it forms part of a larger payment giving effect to both protected and other rights, that part which gives effect to protected rights) is of an amount at least equal to the cash equivalent of the protected rights to which effect is being given, as calculated and verified in a manner consistent with regulations made under section 97 of the 1993 Act;
- (d) the member has acknowledged in writing that he accepts that the scheme or arrangement◀ to which the transfer payment is to be made may not be regulated in any way by the law of the United Kingdom and that as a consequence there may be no obligation under that law on the receiving scheme or arrangement◀ or its trustees to provide any particular value or benefit in return for the transfer payment; and
- (e) the trustees of the transferring scheme have taken reasonable steps to satisfy themselves that the member has received a statement from the receiving scheme or arrangement◀ showing the benefits to be awarded in respect of the transfer payment and the conditions (if any) on which these could be forfeited or withheld.

(a) Words substituted and inserted in reg. 5 by reg. 3(3) of S.I. 2002/681 as from 6.4.02.

Words substituted in reg. 5(b) by reg. 3(3) of S.I. 2005/555 as from 6.4.05.

See note (a) above.

Words inserted in reg. 5 by reg. 3(3) of S.I. 2002/681 as from 6.4.02.

Modifications of Part III of the 1993 Act where transfer payments are made to salary-related contracted-out schemes

6.—(1) Where a transfer payment has been made to a salary-related contracted-out scheme in accordance with regulation 4 (or with regulations 2 and 3 of the Protected Rights (Transfer Payment) Regulations 1987(a)) the 1993 Act shall have effect as modified by this regulation.

(2) The definition of “guaranteed minimum pension” in section 8(2)(b) shall have effect as if—

- (a) after “sections 13 and 17” there were inserted “or in compliance with the requirement set out in regulation 4(d) of the Protected Rights (Transfer Payment) Regulations 1996 (or, as the case may be, with the requirement set out in paragraph 2 of Schedule 3 to the Protected Rights (Transfer Payment) Regulations 1987)”; and
- (b) at the end there were added “or, as the case may be, of that requirement”.

(3) Section 47(2)(b) (further provisions concerning entitlement to guaranteed minimum pensions for the purposes of section 46) shall have effect as if after paragraph (ii) there were added “unless he is entitled to that guaranteed minimum pension by

(a) S.I. 1987/1118, amended by S.I. 1994/1062 and S.I. 1994/1751.
 (b) Section 8 was amended by section 136(2) of and paragraph 23 of Schedule 5 to the Pensions Act 1995.

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reason of regulation 4(d) of the Protected Rights (Transfer Payment) Regulations 1996 (or of paragraph 2 of Schedule 3 to the Protected Rights (Transfer Payment) Regulations 1987).’

(4) Section 14(1)(a) (earner’s guaranteed minimum) shall have effect as if—

- (a) after “guaranteed minimum” there were inserted “both”; and
- (b) at the end there were added “and in relation to any pension provided by a scheme in compliance with the requirement set out in regulation 4(d) of the Protected Rights (Transfer Payment) Regulations 1996 (or, as the case may be, with the requirement set out in paragraph 2 of Schedule 3 to the Protected Rights (Transfer Payment) Regulations 1987)”.

(5) In a case to which regulation 2(1) of the Abatement of Benefit Regulations applies, section 16(1) (revaluation of earnings factors for purposes of section 14: early leavers etc.) shall have effect as if any earnings factor to which regulation 2(2)(b) of those Regulations applies were, before being increased as mentioned in section 16(1), equal to the amount mentioned in regulation 2(2)(b) of those Regulations.

(6) Section 16(2) shall have effect—

- (a) if the scheme from which the transfer payment was made was a personal pension scheme, in respect only of each relevant year after the year in which minimum contributions, within the meaning given to that expression in section 181(1) (general interpretation), were last payable; and
- (b) if the scheme from which the transfer payment was made was, or had formerly been, a money purchase contracted-out scheme, in respect only of each relevant year after the year in which contracted-out employment by reference to that scheme terminated.

Revocations and transitional provisions

7.—(1) Subject to paragraphs (2) and (3) and to Schedule 2, the regulations listed in column 2 of Schedule 1 (some of which are spent) are revoked to the extent specified in column 3 of Schedule 1.

(2) Where a transfer payment has been made to a salary-related contracted-out scheme in accordance with regulations 2 and 3 of the Protected Rights (Transfer Payment) Regulations 1987, then regulation 4(8) and (9) of those Regulations (as in force immediately before these Regulations came into force) shall continue to have effect in relation to any state scheme premium which has been paid before the principal appointed day or is payable immediately before that day.

(3) Where an application under section 95 of the 1993 Act (ways of taking right to cash equivalent) has been made before the principal appointed day, for the purposes of dealing with that application regulations 2 to 5 of these Regulations shall not apply and regulations 1 to 3 of the Protected Rights (Transfer Payment) Regulations 1987 (as in force immediately before these Regulations came into force) shall continue to apply subject to the modifications set out in Schedule 2.

Signed by authority of the Secretary of State for Social Security.

5th June 1996

Oliver Heald
Parliamentary Under-Secretary of State,
Department of Social Security

(c) Section 14 was amended by paragraph 27 of Schedule 5 to the Pensions Act 1995.

SCHEDULE 1

Regulation 7

REVOCATIONS

Column 1	Column 2	Column 3
Statutory Instrument Number	Statutory Instrument	Provision revoked
S.I. 1987/1118	The Protected Rights (Transfer Payment) Regulations 1987	The whole of the Regulations
S.I. 1994/1062	The Occupational and Personal Pension Schemes (Consequential Amendments) Regulations 1994	Schedule 2, paragraph 20
S.I. 1994/1751	The Protected Rights (Transfer Payment) Amendment Regulations 1994	The whole of the Regulations

SCHEDULE 2

Regulation 7

TRANSITIONAL PROVISIONS

In a case such as is mentioned in regulation 7(3), the Protected Rights (Transfer Payment) Regulations 1987 are modified as follows:

- (a) all references to the Occupational Pensions Board are replaced by references to the Secretary of State;
- (b) the definition of “overseas scheme” is replaced by the definition of “overseas scheme” in these Regulations; and
- (c) the definition of “section 53 money purchase scheme” is replaced by the definition ““section 53 money purchase scheme” means a scheme which was formerly a money purchase contracted-out scheme and in respect of which section 53 applies” and the definition of “section 53 salary related scheme” is replaced by the definition ““section 53 salary related scheme” means a scheme which was formerly a salary related contracted-out scheme and in respect of which section 53 applies”.

¹SCHEDULE 3

Regulation 3C(8)

¹Sch. 3 inserted by reg. 4(3) of S.I. 2011/672 as from 6.4.11.

ACTUARY’S CERTIFICATE

Given for the purposes of regulation 3C(8)(b) of the Protected Rights (Transfer Payment) Regulations 1996.

THIS CERTIFICATE IS SUBJECT TO THE NOTES BELOW

The name of the transferring scheme is:

The reference number of Her Majesty’s Revenue and Customs for that scheme is:

The name of the receiving scheme is:

The reference number of Her Majesty’s Revenue and Customs for that scheme is:

Sch. 3

I certify that in my opinion, the transfer credits to be acquired for each member under the receiving scheme in the categories of member covered by this certificate in respect of their protected rights are, broadly, no less favourable than the rights to be transferred.

In making this certification:

- I used these benefits:

- I used this data:

- I used these key actuarial assumptions to value the rights, transfer credits, any discretionary benefits and any discretionary increases in benefits:

- I used these documents:

The categories of member covered by this certificate are:

Signature:

Date of signature:

Name:

Qualification:

Address:

Name of employer (if applicable):

Notes:

Phrases used in this certificate have the same meaning as in the Protected Rights (Transfer Payment) Regulations 1996 (“the 1996 Regulations”).

This certificate is valid only for the purposes of the 1996 Regulations.

This certificate must not be taken by the trustees or managers of the scheme as authority to make a transfer without members’ consents. It must also not be taken as a recommendation to make a transfer without members’ consents. The trustees or managers of the scheme need to satisfy themselves that making the transfer is consistent with their duties to the transferring members and the remaining members. The trustees of the scheme need to satisfy themselves that making the transfer is consistent with their responsibilities and powers under trust law.

The actuary is not expressing in this certificate an opinion on whether or not the amount of the transfer value is reasonable.

The actuary has taken account of the benefits accrued by the date of this certificate. The actuary has not taken account of any differences between the terms and conditions of any benefits that may accrue in the future under the transferring scheme and the receiving scheme.◀

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations replace the Protected Rights (Transfer Payment) Regulations 1987 which are now (subject to transitional provisions) revoked. The Regulations supplement the changes introduced by the Pensions Act 1995 to Part III of the Pension Schemes Act 1993 (although they are made under powers in the 1993 Act which have not been amended by the 1995 Act). They also consolidate and amend those provisions of the 1987 Regulations which remain relevant. As regards those regulations which are not made only for the purposes of consolidation, the Occupational Pensions Board has agreed that proposals to make such regulations need not be referred to them.

Regulation 1 contains general provisions relating to citation, commencement and interpretation.

Regulations 2 to 5 make provision for the circumstances in which and the conditions subject to which effect may be given to the protected rights of a member of a scheme which is or was a money purchase contracted-out scheme or an appropriate personal pension scheme by the making of a transfer payment to another pension scheme.

Regulation 6 modifies Part III of the 1993 Act, where a transfer payment has been made to a scheme which is contracted-out under section 9(2) of that Act (a salary-related contracted-out scheme), in order to accommodate the guaranteed minimum pensions to which a member of such a scheme becomes entitled in consequence of that payment.

Regulation 7 contains revocations and transitional provisions.

An assessment of the compliance cost for employers of the measures arising from the Pensions Act 1995, including these Regulations, has been placed in the libraries of both Houses of Parliament. Copies can be obtained by post from the Department of Social Security, Private Pensions Directorate, 11th floor, The Adelphi, 1-11 John Adam Street, London, WC2N 6HT.

