
STATUTORY INSTRUMENTS

1988 No. 1374

The Teachers' Superannuation (Amendment) Regulations 1988

Transfer values

14. The principal Regulations are amended by substituting for Schedule 7 the following:

“SCHEDULE 7

Regulations 81 and 84

TRANSFER VALUES

PART I

OUTWARD TRANSFERS

1. A transfer value is calculated on the cash equivalent basis if it is calculated in the manner prescribed under paragraph 14 of Schedule 1A to the Pensions Act(1) for the calculation of cash equivalents.

2. Where—

- (a) a transfer value is payable to the person responsible for the management of a club scheme or a personal pension scheme, or
- (b) a transfer value is payable to the person responsible for the management of an approved superannuation scheme which is not a club scheme and none of the service to which it relates is service before 1st September 1988,

and no right to a cash equivalent was acquired, the transfer value is to be calculated on the cash equivalent basis.

3. Where—

- (a) a transfer value is payable to the person responsible for the management of an approved superannuation scheme which is not a club scheme, and
- (b) the service to which it relates includes service before 1st September 1988, and
- (c) no right to a cash equivalent was acquired,

the amount of the transfer value is the total of A and the greater of B and C, where—

A is a notional transfer value, calculated on the cash equivalent basis, in respect of the person's service after 31st August 1988,

B is a notional transfer value, calculated on the cash equivalent basis, in respect of his service before 1st September 1988, and

C is a notional transfer value, calculated as if Schedule 7 to these Regulations, as in force on 31st August 1988, had continued in force, in respect of his service before 1st September 1988.

(1) 1975 c. 60; Schedule 1A was inserted by the Social Security Act 1985 (c. 53), Schedule 1, paragraph 3, and amended by the Social Security Act 1986 (c. 50), Schedule 10, paragraphs 29 and 30.

4. Where—

- (a) a transfer value is payable to the person responsible for the management of an approved superannuation scheme which is not a club scheme, and
- (b) the service to which it relates includes service before 1st September 1988, and
- (c) a right to a cash equivalent was acquired,

the amount of the transfer value is D–E, where—

- D is the transfer value that would have been payable if paragraph 3 had applied, and
- E is the amount of the cash equivalent.

5. Where—

- (a) a transfer value is payable to the person responsible for the management of a personal pension scheme, and
- (b) a right to a part cash equivalent was acquired,

the transfer value is to be calculated on the cash equivalent basis but as if the person's reckonable service had ended with 5th April 1988.

6.—(1) This paragraph applies where—

- (a) a transfer value falls to be calculated in accordance with paragraph 3 or 4, and
- (b) for the purposes of paragraph 3 C is greater than B.

(2) Subject to sub-paragraphs (3) and (4), if the transfer value is not paid within 6 months after the person ceased to be employed in reckonable service the amount calculated in accordance with paragraph 3 or 4 is increased by adding to it interest on C at 9% per annum, compounded with 3-monthly rests, for each complete period of 3 months after the end of the employment and before the date of payment.

(3) If the employment ended before 1st April 1977 the amount calculated in accordance with paragraph 3 is increased by adding to it—

- (a) interest on C at 6% per annum, compounded with yearly rests, for each complete period of a year after the end of the employment and before 1st April 1977, and
- (b) interest on C at 9% per annum, compounded with 3-monthly rests, for the period of 3 months beginning on 1st April 1977 and for each subsequent complete period of 3 months before the date of payment.

(4) If the employment ended after 5th April 1978 and before 1st April 1979 the amount calculated in accordance with paragraph 3 is increased by adding to it interest on C at 6% per annum, compounded with yearly rests, for each complete period of a year after the end of the employment and before the date of payment.

7. Where a transfer value is paid to the person responsible for the management of an occupational pension scheme which is not a contracted-out scheme or of a personal pension scheme, there may be deducted from it the amount of any contributions equivalent premium paid by the Secretary of State.

PART II

INWARD TRANSFERS

8. If the employment in which the person was subject to the previous scheme was comparable British service, he is entitled to count as reckonable service the period of service certified by

the person responsible for the management of the scheme as having stood to his credit under the scheme when he ceased to be subject to it.

9.—(1) If—

- (a) the previous scheme is a club scheme service under which is not comparable British service, or
- (b) the previous scheme is a personal pension scheme or an approved superannuation scheme which is not a club scheme and the person has become employed in reckonable service after 31st December 1985,

he is entitled to count as reckonable service the period specified in sub-paragraph (2).

(2) The period is one equal to the period of reckonable service that would enable the Secretary of State to pay a transfer value, calculated on the cash equivalent basis, of the same amount as the one accepted.

(3) In calculating the period specified in sub-paragraph (2)—

- (a) if sub-paragraph (1)(a) applies and the request for the transfer value to be accepted was made within 12 months after the date on which the person became employed in reckonable service, the calculation is to be made by reference to the age and salary notified by the person responsible for the management of the previous scheme as those by reference to which the transfer value accepted was calculated,
- (b) if sub-paragraph (1)(b) applies and the transfer value was received within 12 months after the date on which the person became employed in reckonable service, the calculation is to be made by reference to his age, and the annual rate of his salary, on that date,
- (c) in any other case, the calculation is to be made by reference to his age, and the annual rate of his salary, on the date on which the transfer value was received,
- (d) if sub-paragraph (1)(a) applies any sum representing interest that is included in the transfer value is not to be taken into account, and
- (e) if sub-paragraph (1)(b) applies any such sum is to be taken into account.

10. If—

- (a) the previous scheme is an approved superannuation scheme which is not a club scheme, and
- (b) the person became employed in reckonable service before 1st January 1986,

he is entitled to count as reckonable service a period calculated as if Schedule 7 to these Regulations, as in force on 31st August 1988, had continued in force.”