
STATUTORY INSTRUMENTS

1996 No. 1462

**The Contracting-out (Transfer and
Transfer Payment) Regulations 1996**

**PART I
GENERAL**

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Contracting-out (Transfer and 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;

“accrued rights”, for the purposes of Parts II and IV of these Regulations, has the meaning given to that expression in section 20(6) of the 1993 Act;

^{F1}
...

[^{F2} “ Administration Act ” means the Social Security Administration Act 1992;]

“appropriate policy” means a policy of insurance or an annuity contract such as is described in section 19(4) of the 1993 Act;

“appropriately secured” has the meaning given to that expression in section 19(3) of the 1993 Act;

[^{F3} “assessment period” has the meaning given in section 132 of the Pensions Act 2004 (assessment periods);]

[^{F4} “connected employer transfer” and “connected employer transfer payment” mean respectively a transfer of guaranteed minimum pensions [^{F5} from one salary-related scheme to another] and a transfer payment in respect of section 9(2B) rights [^{F5} from one salary-related scheme to another] where either—

- (a) the transferring scheme and the receiving scheme relate to persons who are or have been in employment with the same employer; or
- (b) the transferring scheme and receiving scheme relate to persons who are or have been in employment with different employers, and the earner or person concerned is one of a group of persons in respect of whom transfers or transfer payments are being made from the transferring scheme to the receiving scheme and either—
 - (i) the transfer or transfer payment is a consequence of a financial transaction between the employers, or
 - (ii) [^{F6} the employers are members] of a group of companies consisting of a holding company and one or more subsidiaries within the meaning of section 1159(1) of the Companies Act 2006 (meaning of “subsidiary” etc),

^{F7}
...]

“earner” includes an earner who is not in employment at the time of the transfer or transfer payment;

^{F1} ...

“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; [^{F8}and]

^{F9}(b)

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

[^{F10}“overseas scheme” means—

(a) an occupational pension scheme which has its main administration outside the [^{F11}United Kingdom]; ^{F12} ...

^{F12}(b) ...

but does not include a [^{F13}scheme that was a] salary-related contracted-out scheme ^{F14}....]

“the principal appointed day” has the meaning given to that expression in section [^{F15}181(1)] of the 1993 Act;

[^{F3}“regulated apportionment arrangement” has the meaning given in regulation 2(1) of the Occupational Pension Schemes (Employer Debt) Regulations 2005 (interpretation);]

^{F16} ...

^{F17} ...

[^{F18}“salary-related scheme” means a scheme which—

(a) is not a scheme under which all the benefits that may be provided are money purchase benefits, and

(b) does not fall within a class prescribed in regulations made by the Secretary of State under section 100D of the 1993 Act;]

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

[^{F19}“section 9(2B) rights” has the meaning given in regulation 2(1) of the Occupational Pension Schemes (Schemes that were Contracted-out) (No.2) Regulations 2015]

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

Textual Amendments

- F1** Words in reg. 1(2) omitted (6.4.2012) by virtue of [The Pensions Act 2007 \(Abolition of Contracting-out for Defined Contribution Pension Schemes\) \(Consequential Amendments\) Regulations 2011 \(S.I. 2011/1245\)](#), regs. 1(2), **6(2)(a)**
- F2** Words in reg. 1(2) inserted (6.4.2016) by [The Occupational Pension Schemes \(Schemes that were Contracted-out\) \(No.2\) Regulations 2015 \(S.I. 2015/1677\)](#), regs. 1(2)(b), **30(2)**
- F3** Words in reg. 1(2) inserted (3.7.2017) by [The Contracting-out \(Transfer and Transfer Payment\) \(Amendment\) Regulations 2017 \(S.I. 2017/600\)](#), regs. 1, **2(2)**
- F4** Words in reg. 1(2) substituted (6.4.2013) by [The Occupational and Stakeholder Pension Schemes \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/459\)](#), regs. 1, **4(2)**
- F5** Words in reg. 1(2) substituted (6.4.2018) by [The Contracting-out \(Transfer and Transfer Payment\) \(Amendment\) Regulations 2018 \(S.I. 2018/234\)](#), regs. 1, **2(2)(a)(i)**

- F6** Words in reg. 1(2) substituted (6.4.2018) by The Contracting-out (Transfer and Transfer Payment) (Amendment) Regulations 2018 (S.I. 2018/234), regs. 1, **2(2)(a)(ii)**
- F7** Words in reg. 1(2) omitted (6.4.2016) by virtue of The Pensions Act 2014 (Abolition of Contracting-out for Salary Related Pension Schemes) (Consequential Amendments and Savings) Order 2016 (S.I. 2016/200), arts. 1(2), **4(2)(a)(i)**
- F8** Word in reg. 1(2) added (6.4.2012) by The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **6(2)(b)(i)**
- F9** Words in reg. 1(2) omitted (6.4.2012) by virtue of The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011 (S.I. 2011/1245), regs. 1(2), **6(2)(b)(ii)**
- F10** Words in reg. 1(2) substituted (6.4.2007) by Occupational and Personal Pension Schemes (Miscellaneous Amendments) Regulations 2007 (S.I. 2007/814), regs. 1, **6(2)**
- F11** Words in reg. 1(2)(a) substituted (31.12.2020) by The Occupational and Personal Pension Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/192), regs. 1, **9(2)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F12** Reg. 1(2)(b) and word omitted (31.12.2020) by virtue of The Occupational and Personal Pension Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/192), regs. 1, **9(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F13** Words in reg. 1(2) inserted (6.4.2016) by The Pensions Act 2014 (Abolition of Contracting-out for Salary Related Pension Schemes) (Consequential Amendments and Savings) Order 2016 (S.I. 2016/200), arts. 1(2), **4(2)(b)(i)**
- F14** Words in reg. 1(2) omitted (6.4.2016) by virtue of The Pensions Act 2014 (Abolition of Contracting-out for Salary Related Pension Schemes) (Consequential Amendments and Savings) Order 2016 (S.I. 2016/200), arts. 1(2), **4(2)(b)(ii)**
- F15** Word in reg. 1(2) substituted (6.4.2016) by The Pensions Act 2014 (Abolition of Contracting-out for Salary Related Pension Schemes) (Consequential Amendments and Savings) Order 2016 (S.I. 2016/200), arts. 1(2), **4(2)(c)**
- F16** Words in reg. 1(2) omitted (6.4.2012) by virtue of The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) Order 2011 (S.I. 2011/1246), arts. 1(2)(a), **9(2)(a)**
- F17** Words in reg. 1(2) omitted (6.4.2016) by virtue of The Pensions Act 2014 (Abolition of Contracting-out for Salary Related Pension Schemes) (Consequential Amendments and Savings) Order 2016 (S.I. 2016/200), arts. 1(2), **4(2)(d)**
- F18** Words in reg. 1(2) inserted (6.4.2018) by The Contracting-out (Transfer and Transfer Payment) (Amendment) Regulations 2018 (S.I. 2018/234), regs. 1, **2(2)(b)**
- F19** Words in reg. 1(2) substituted (6.4.2016) by The Pensions Act 2014 (Abolition of Contracting-out for Salary Related Pension Schemes) (Consequential Amendments and Savings) Order 2016 (S.I. 2016/200), arts. 1(2), **4(2)(e)**

Changes to legislation:

There are currently no known outstanding effects for the The Contracting-out (Transfer and Transfer Payment) Regulations 1996, PART I.