
STATUTORY INSTRUMENTS

2000 No. 1052

PENSIONS

The Pension Sharing (Valuation) Regulations 2000

Made - - - - - *13th April 2000*
Laid before Parliament *19th April 2000*
Coming into force - - - *1st December 2000*

The Secretary of State for Social Security, in exercise of the powers conferred upon him by sections 27(2), 30(1) and (2) and 83(4) and (6) of the Welfare Reform and Pensions Act 1999^{M1}, and of all other powers enabling him in that behalf, after consulting such persons as he considered appropriate^{M2}, hereby makes the following Regulations:

Marginal Citations

M1 1999 c. 30.

M2 See section 83(11) of the Welfare Reform and Pensions Act 1999.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Pension Sharing (Valuation) Regulations 2000 and shall come into force on 1st December 2000.

(2) In these Regulations—

“the 1993 Act” means the Pension Schemes Act 1993^{M3};

“the 1995 Act” means the Pensions Act 1995^{M4};

“the 1999 Act” means the Welfare Reform and Pensions Act 1999;

[^{F1}“the 2004 Act” means the Pensions Act 2004;]

^{F2}
...

“employer” has the meaning given by section 181(1) of the 1993 Act;

^{F3}
...

“occupational pension scheme” has the meaning given by section 1 of the 1993 Act;

“pension arrangement” has the meaning given by section 46(1) of the 1999 Act;

“relevant arrangement” has the meaning given by section 29(8) of the 1999 Act;

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F4 ...

“scheme” means an occupational pension scheme;

F2 ...

F2 ...

“transfer credits” has the meaning given by section 181(1) of the 1993 Act;

[^{F5}“transfer day” has the meaning given by section 29(8) of the 1999 Act;]

“transferor” has the meaning given by section 29(8) of the 1999 Act;

[^{F6}“the Transfer Values Regulations” means the Occupational Pension Schemes (Transfer Values) Regulations 1996;]

“trustees or managers” has the meaning given by section 46(1) of the 1999 Act;

“valuation day” has the meaning given by section 29(7) of the 1999 Act.

Textual Amendments

- F1** Words in reg. 1(2) inserted (30.12.2005) by [The Occupational Pension Schemes \(Scheme Funding\) Regulations 2005 \(S.I. 2005/3377\)](#), regs. 1, 20(1), **Sch. 3 paras. 9(2)**
- F2** Words in reg. 1(2) omitted (1.10.2008) by virtue of [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 5(a)(ii)**
- F3** Words in reg. 1(2) omitted (6.4.2016) by virtue of [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(2)**
- F4** Words in reg. 1(2) omitted (6.4.2006) by virtue of [Taxation of Pension Schemes \(Consequential Amendments of Occupational and Personal Pension Schemes Legislation\) Order 2006 \(S.I. 2006/744\)](#), art. 1, **art. 16(2)**
- F5** Words in reg. 1(2) inserted (1.12.2000) by [The Pension Sharing \(Consequential and Miscellaneous Amendments\) Regulations 2000 \(S.I. 2000/2691\)](#), regs. 1, **10(2)**
- F6** Words in reg. 1(2) inserted (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 5(a)(i)**

Marginal Citations

- M3** 1993 c. 48.
- M4** 1995 c. 26.

Rights under a pension arrangement which are not shareable

2.—(1) Rights under a pension arrangement which are not shareable are—

- (a) subject to paragraph (2), any rights accrued between 1961 and 1975 which relate to contracted-out equivalent pension benefit within the meaning of section 57 of the National Insurance Act 1965 ^{M5} (equivalent pension benefits, etc.);
- (b) any rights in respect of which a person is in receipt of—
 - (i) a pension;
 - (ii) an annuity; [^{F7}or]
 - ^{F8}(iii)
 - [^{F9}(iv) dependants’, nominees’ or successors’ income withdrawal within the meaning of, as the case may be, paragraph 21 (dependants’ income withdrawal), 27D (nominees’ income withdrawal) or 27J (successors’ income withdrawal) of Schedule 28 to the Finance Act 2004,]

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by virtue of being the widow, widower^{F10}, surviving civil partner^{F11}, nominee, successor]] or other dependant of a deceased person with pension rights under a pension arrangement;

^{F12}
...

^{F13}(ba) any rights relating to sums and assets held for the purposes of—

(i) a dependant's drawdown pension fund or flexi-access drawdown fund within the meaning of, as the case may be, paragraph 22 (dependant's drawdown pension fund) or 22A (dependant's flexi-access drawdown fund) of Schedule 28 to the Finance Act 2004;

(ii) a nominee's or successor's flexi-access drawdown fund within the meaning of, as the case may be, paragraph 27E (nominee's flexi-access drawdown fund) or 27K (successor's flexi-access drawdown fund) of Schedule 28 to the Finance Act 2004.];

^{F14}(c) any rights which will result in the payment of a benefit which is to be provided solely by reason of the—

(i) disablement, or

(ii) death,

due to an accident suffered by a person occurring during his pensionable service^{F15}; and]

(d) any rights in respect of a cash transfer sum or contribution refund that the member would be entitled to under section 101AB of the 1993 Act (right to cash transfer sum and contribution refund) if pensionable service were to be terminated.]

(2) Paragraph (1)(a) applies only when those rights are the only rights held by a person under a pension arrangement.

Textual Amendments

- F7** Word in reg. 2(1)(b)(ii) 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), **12(a)**
- F8** Reg. 2(1)(b)(iii) 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), **12(b)**
- F9** Reg. 2(1)(b)(iv) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(3)(a)(i)**
- F10** Words in reg. 2(1)(b) inserted (5.12.2005) by [The Civil Partnership \(Pensions, Social Security and Child Support\) \(Consequential, etc. Provisions\) Order 2005 \(S.I. 2005/2877\)](#), art. 1, **Sch. 1 para. 3** (with art. 3)
- F11** Words in reg. 2(1)(b) inserted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(3)(a)(ii)**
- F12** Word in reg. 2(1)(b) omitted (6.4.2016) by virtue of [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(3)(a)(iii)**
- F13** Reg. 2(1)(ba) inserted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(3)(b)**
- F14** Reg. 2(1)(c) substituted (6.4.2006) by [Taxation of Pension Schemes \(Consequential Amendments of Occupational and Personal Pension Schemes Legislation\) Order 2006 \(S.I. 2006/744\)](#), art. 1, **art. 16(3)(b)**
- F15** Reg. 2(1)(d) and word inserted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(3)(c)**

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Marginal Citations

M5 1965 c. 51. Section 57 is continued in force by virtue of regulation 3 of S.I. 1974/2057.

Calculation and verification of cash equivalents for the purposes of the creation of pension debits and credits

3. For the purposes of section 29 of the 1999 Act (creation of pension debits and credits), cash equivalents may be calculated and verified—

- (a) where the relevant arrangement is an occupational pension scheme in accordance with ^[F16]regulation 4]; or
- (b) in any other case, in accordance with ^[F17]regulations 5 and 7].

Textual Amendments

F16 Words in reg. 3(a) substituted (6.4.2010) by [The Occupational and Personal Pension Schemes \(Miscellaneous Amendments\) Regulations 2010 \(S.I. 2010/499\)](#), regs. 1, 5(2)(a)

F17 Words in reg. 3(b) substituted (6.4.2010) by S.I. 2010/499, reg. 1, 5(2)(b)

^[F18]Manner of calculation and verification of cash equivalents: occupational pension schemes

4.—(1) Subject to this regulation, where a person with pension rights is, for the purposes of Part I of the 1995 Act, an active member, a deferred member or a pensioner member of an occupational pension scheme, or where a person with pension rights attains, or is over, normal pension age and is not in receipt of the pension, the value of rights in relation to a category of benefits referred to in section 93(6) of the 1993 Act (category of benefits) must be calculated and verified in accordance with regulations 7 to 7C and 7E(1) to (3) of the Transfer Values Regulations (calculation and verification of cash equivalents), as if—

- (a) in the case of benefits other than money purchase benefits, the member has made an application for a statement of entitlement under section 93A of the 1993 Act (right to statement of entitlement: benefits other than money purchase); or
- (b) in the case of money purchase benefits, the member has made an application under section 95 of the 1993 Act (ways of taking right to cash equivalent) to use the cash equivalent of those benefits.

(2) Where a person with pension rights is continuing to accrue rights to benefits in the category of benefits to be valued, paragraph (1) applies as if the person had ceased to accrue rights in that category of benefits on the valuation day.

(3) Where a person with pension rights is entitled to present payment of the pension, but the pension is not yet in payment, the cash equivalent must be calculated and verified on the assumption that the pension comes into payment on the transfer day.

(4) When calculating and verifying the cash equivalent, regulations 7 to 7C and 7E(1) to (3) of the Transfer Values Regulations are to be read as if—

- (a) in regulation 7—
 - (i) in paragraph (1)(a), the words “and then making any reductions in accordance with regulation 7D” do not appear;
 - (ii) in paragraph (1)(b), the words “regulation 7E” are replaced with “regulation 7E(1) to (3)”;
- (b) in regulation 7A(2), the words “guarantee date” are replaced with “valuation day”;

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- (c) in regulation 7C(2), the words “at the date of calculation” are replaced with “on the valuation day”; and
- (d) “valuation day” has the meaning given by section 29(7) of the 1999 Act (meaning of valuation day).]

Textual Amendments

F18 Reg. 4 substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(4)**

[^{F19} **Manner of calculation and verification of cash equivalents: other relevant arrangements**

5.—(1) Subject to this regulation, cash equivalents for members of a relevant arrangement other than an occupational pension scheme are to be calculated and verified in accordance with regulations [^{F20}7 to 7C and 7E(1) to (3) of the Transfer Values Regulations, as if the person with the pension rights had made a valid application under section 95 of the 1993 Act to use the cash equivalent of the rights to benefits].

(2) When calculating and verifying the cash equivalent, the Transfer Value Regulations are to be read as if—

[^{F21}(za) in regulation 7(1)(a), the words “and then making any reductions in accordance with regulation 7D” do not appear;]

[^{F21}(zb) in regulation 7(1)(b), the words “regulation 7E” are replaced with “regulation 7E(1) to (3)”];]

(a) in regulation 1(2)—

(i) for the definition of “trustees” there were substituted—

““trustees” means the person responsible for the relevant arrangement;”; and

(ii) there were inserted at the appropriate alphabetical places—

““personal pension scheme” has the meaning given by section 1 of the 1993 Act (categories of pension scheme);”;

““transfer day” has the meaning given by section 29(8) of the Welfare Reform and Pensions Act 1999 (creation of pension debits and credits);”;

(b) in regulation 7(1) (manner of calculation and verification of cash equivalents – general provisions), for “paragraphs (4) and (7)” there were substituted “paragraphs (4), (7) and (8)”; and

(c) after regulation 7(7), there were inserted—

“(8) Where the person with pension rights is a member of a personal pension scheme, or those rights are contained in a retirement annuity contract, the value of the benefits which he has accrued under that scheme or contract on the transfer day must be taken to be the cash equivalent to which he would have acquired a right under section 94(1)(b) of the 1993 Act (right to cash equivalent), if he had made an application under section 95(1) of that Act (ways of taking right to cash equivalent) on the date on which the request for the valuation was received.”.

(3) In relation to a personal pension scheme which is comprised in a retirement annuity contract made before 4th January 1988, this regulation applies as if such a scheme were not excluded from the scope of [^{F22}Chapter 1 of Part 4ZA of the 1993 Act by section 93(5)(b) of that Act (scope of Chapter 1)].]

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Textual Amendments

- F19** Reg. 4 - Reg. 5 substituted for Reg. 4 - Reg. 6 (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 5(b)**
- F20** Words in [reg. 5\(1\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(5)(a)**
- F21** [Reg. 5\(2\)\(za\)\(zb\)](#) inserted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(5)(b)**
- F22** Words in [reg. 5\(3\)](#) substituted (6.4.2016) by [The Pension Sharing \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/289\)](#), regs. 1(2), **4(5)(c)**

Other relevant arrangements: reduction of cash equivalents

7.—^[F23](1) Where all or any of the benefits to which a cash equivalent relates have been surrendered, commuted or forfeited before the date on which the person responsible for the relevant arrangement discharges his liability for the pension credit in accordance with the provisions of Schedule 5 to the 1999 Act, the cash equivalent of the benefits so surrendered, commuted or forfeited shall be reduced in proportion to the reduction in the total value of the benefits.

^[F24](2) This regulation does not apply to occupational pension schemes.]

Textual Amendments

- F23** [Reg. 7\(1\)](#): reg. 7 renumbered as [reg. 7\(1\)](#) (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 5(c)**
- F24** [Reg. 7\(2\)](#) inserted (1.10.2008) by [Occupational Pension Schemes \(Transfer Values\) \(Amendment\) Regulations 2008 \(S.I. 2008/1050\)](#), reg. 1(1), **Sch. 2 para. 5(d)**

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

Jeff Rooker
Minister of State,
Department of Social Security

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations specify the types of pension rights which are not subject to pension sharing, and make provision for the calculation and verification of cash equivalents for the purpose of creating pension debits and credits.

Regulation 1 provides for citation, commencement and interpretation.

Regulation 2 specifies rights under a pension arrangement which are not subject to pension sharing.

Regulation 3 specifies that the calculation and verification of cash equivalents for the purposes of creating pension debits and credits may be made by reference to these Regulations.

Regulations 4 and 5 specify how cash equivalents in respect of rights in occupational pension schemes may be calculated and verified.

Regulations 6 and 7 specify how cash equivalents in respect of rights in pension arrangements other than occupational pension schemes may be calculated and verified.

An assessment of the cost to business of the provisions of the Welfare Reform and Pensions Act 1999, including these Regulations, is detailed in the Regulatory Impact Assessment for that Act. A copy of this Assessment has been placed in the libraries of both Houses of Parliament. Copies can be obtained by post from the Department of Social Security, Pensions on Divorce, 3rd Floor, The Adelphi, 1-11 John Adam Street, London WC2N 6HT.

Changes to legislation:

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Changes and effects yet to be applied to :

- reg.1 defn(s). added by [S.I. 2000/2691 reg 10\(2\)](#)
- reg.4 amended by [S.I. 2000/2691 reg 10\(3\)](#)
- reg.5 amended by [S.I. 2000/2691 reg.10\(4\)](#)
- reg.6 amended by [S.I. 2000/2691 reg.10\(5\)](#)