



Pension Schemes Act 1993

1993 CHAPTER 48

[^{F1}PART IVA

REQUIREMENTS RELATING TO PENSION CREDIT BENEFIT

[^{F1}CHAPTER II

TRANSFER VALUES

Textual Amendments

- F1** Pt. 4A inserted (11.11.1999 for specified purposes, 1.12.2000 in so far as not already in force) by Welfare Reform and Pensions Act 1999 (c. 30), **ss. 37, 89(5)(a)**; S.I. 2000/1047, art. 2(2)(d), Sch. Pt. 4

Modifications etc. (not altering text)

- C1** Pt. 4A Ch. 2 applied (with retrospective effect from 1.12.2000) by The National Health Service Superannuation Scheme (Scotland) (Additional Voluntary Contributions) Regulations 1998 (S.I. 1998/1451), **Sch. 2 para. 5** (as inserted by S.S.I. 2001/465, reg. 1(2), **sch. 2 para. 6**)

101F Power to give transfer notice.

- (1) An eligible member of a qualifying scheme may by notice in writing require the trustees or managers of the scheme to use an amount equal to the cash equivalent of his pension credit benefit for such one or more of the authorised purposes as he may specify in the notice.
- (2) In the case of a member of an occupational pension scheme, the authorised purposes are—
 - (a) to acquire rights allowed under the rules of an occupational pension scheme, or personal pension scheme, which is an eligible scheme,
 - (b) to purchase from one or more [^{F2}insurers] such as are mentioned in section 19(4)(a), chosen by the member and willing to accept payment on

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- account of the member from the trustees or managers, one or more annuities which satisfy the prescribed requirements, and
- (c) in such circumstances as may be prescribed, to subscribe to other pension arrangements which satisfy prescribed requirements.
- (3) In the case of a member of a personal pension scheme, the authorised purposes are—
- (a) to acquire rights allowed under the rules of an occupational pension scheme, or personal pension scheme, which is an eligible scheme, and
- (b) in such circumstances as may be prescribed, to subscribe to other pension arrangements which satisfy prescribed requirements.
- (4) The cash equivalent for the purposes of subsection (1) shall—
- (a) in the case of a salary related occupational pension scheme, be taken to be the amount shown in the relevant statement under section 101H, and
- (b) in any other case, be determined by reference to the date the notice under that subsection is given.
- (5) The requirements which may be prescribed under subsection (2) or (3) include, in particular, requirements of the Inland Revenue.
- (6) In subsections (2) and (3), references to an eligible scheme are to a scheme—
- (a) the trustees or managers of which are able and willing to accept payment in respect of the member’s pension credit rights, and
- (b) which satisfies the prescribed requirements.
- [^{F4}Regulations may—
- ^{F3}(6A) (a) provide for this Chapter not to apply in relation to a person of a prescribed description;
- (b) provide for this Chapter not to apply in prescribed circumstances in relation to a member of a prescribed scheme or schemes of a prescribed description;
- (c) modify the application of this Chapter in relation to a member who has accrued rights to benefits of a prescribed description.
- (6B) In this Chapter a reference to a “category” of benefits is to one of the following three categories—
- (a) money purchase benefits;
- (b) flexible benefits other than money purchase benefits;
- (c) benefits that are not flexible benefits.]
- (7) In this Chapter, “transfer notice” means a notice under subsection (1).

Textual Amendments

- F2** Word in s. 101F(2)(b) substituted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments and Repeals\) Order 2001 \(S.I. 2001/3649\)](#), arts. 1, **122**
- F3** S. 101F(6A) inserted (26.11.2008) by [Pensions Act 2008 \(c. 30\)](#), **ss. 134(3)**, 149(2)
- F4** S. 101F(6A)(6B) substituted for s. 101F(6A) (3.3.2015 for specified purposes) by [Pension Schemes Act 2015 \(c. 8\)](#), s. 89(1)(b)(3)(b), **Sch. 4 para. 15(5)** (with s. 87)

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101G Restrictions on power to give transfer notice.

- [An eligible member may not give a transfer notice in relation to a category of benefits
- ^{F5}(1) if a crystallisation event has occurred in relation to any of the member's pension credit rights to benefits in that category.
- (2) An eligible member may give a transfer notice in relation to a category of benefits other than money purchase benefits only if—
- the member has been provided with a statement under section 101H in relation to benefits in that category, and
 - not more than 3 months have passed since the date by reference to which the amount shown in the statement is determined.
- (3) An eligible member may not give a transfer notice in relation to benefits other than flexible benefits if there is less than one year to go until the member reaches normal benefit age.
- (4) Where an eligible member of a qualifying scheme—
- is entitled to give a transfer notice in relation to any category of benefits, and
 - is also entitled to make an application to the trustees or managers of the scheme under section 95(1) in relation to benefits in the same category (or would be entitled to do so but for section 95(1A)(a)),
- the member may not, if the scheme so provides, give a transfer notice in relation to that category of benefits without also making an application under section 95(1) in relation to that category of benefits.
- (5) A transfer notice may not be given if a previous transfer notice given by the member to the trustees or managers of the scheme is outstanding.
- (6) Regulations may extend the period specified in subsection (2)(b) in prescribed circumstances.
- (7) For the purposes of subsection (1) a crystallisation event occurs in relation to a member's pension credit rights to benefits in a category when—
- payment of a pension in respect of any of the benefits has begun,
 - in the case of money purchase benefits, sums or assets held for the purpose of providing any of the benefits are designated as available for the payment of drawdown pension (as defined by paragraph 4 of Schedule 28 to the Finance Act 2004), or
 - in the case of a personal pension scheme, sums or assets held for the purpose of providing any of the benefits are applied for purchasing an annuity or insurance policy.]

Textual Amendments

- F5** S. 101G substituted (3.3.2015 for specified purposes) by [Pension Schemes Act 2015 \(c. 8\)](#), s. 89(1)(b)(3)(b), [Sch. 4 para. 16](#) (with s. 87)

101H Salary related schemes: statements of entitlement.

- (1) The trustees or managers of a qualifying scheme which is a salary related occupational pension scheme shall, on the application of an eligible member, provide him with a

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written statement of the amount of the cash equivalent of his pension credit benefit under the scheme.

- (2) For the purposes of subsection (1), the amount of the cash equivalent shall be determined by reference to a date falling within—
 - (a) the prescribed period beginning with the date of the application, and
 - (b) the prescribed period ending with the date on which the statement under that subsection is provided to the applicant.
- (3) Regulations may make provision in relation to applications under subsection (1) and may, in particular, restrict the making of successive applications.
- (4) If trustees or managers to whom subsection (1) applies fail to perform an obligation under that subsection, section 10 of the Pensions Act 1995 (power of the Regulatory Authority to impose civil penalties) shall apply to any trustee or manager who has failed to take all such steps as are reasonable to secure that the obligation was performed.

101I Calculation of cash equivalents.

Cash equivalents for the purposes of this Chapter shall be calculated and verified in the prescribed manner.

101J Time for compliance with transfer notice.

- (1) Trustees or managers of a qualifying scheme who receive a transfer notice shall comply with the notice—
 - (a) in the case of an occupational pension scheme, within 6 months of the valuation date or, if earlier, by the date on which the member to whom the notice relates reaches normal benefit age, and
 - (b) in the case of a personal pension scheme, within 6 months of the date on which they receive the notice.
- (2) The Regulatory Authority may, in prescribed circumstances, [^{F6}by direction] extend the period for complying with the notice.

[Regulations may extend the period for complying with the notice in prescribed ^{F7}(2A) circumstances.]

^{F8}(3)

- (4) Where the trustees or managers of an occupational pension scheme have failed to comply with a transfer notice before the end of the period for compliance—
 - (a) they shall, except in prescribed cases, notify the Regulatory Authority of that fact within the prescribed period, and
 - (b) section 10 of the Pensions Act 1995 (power of the Regulatory Authority to impose civil penalties) shall apply to any trustee or manager who has failed to take all such steps as are reasonable to ensure that the notice was complied with before the end of the period for compliance.
- (5) If trustees or managers to whom subsection (4)(a) applies fail to perform the obligation imposed by that provision, section 10 of the Pensions Act 1995 shall apply to any trustee or manager who has failed to take all such steps as are reasonable to ensure that the obligation was performed.

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- (6) Regulations may—
- (a) make provision [^{F9}requiring applications for extensions under subsection (2) to meet prescribed requirements], and
 - (b) provide that subsection (4) shall not apply in prescribed circumstances.
- (7) In this section, “valuation date”, in relation to a transfer notice given to the trustees or managers of an occupational pension scheme, means—
- (a) in the case of a salary related scheme, the date by reference to which the amount shown in the relevant statement under section 101H is determined, and
 - (b) in the case of any other scheme, the date the notice is given.

Textual Amendments

- F6** Words in s. 101J(2) inserted (6.4.2006) by Pensions Act 2004 (c. 35), s. 322(1), **Sch. 12 para. 15(a)**; S.I. 2006/560, art. 2(3), Sch. Pt. 3
- F7** S. 101J(2A) inserted (3.3.2015 for specified purposes) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), **Sch. 4 para. 18(3)** (with s. 87)
- F8** S. 101J(3) repealed (6.4.2005) by Pensions Act 2004 (c. 35), s. 322(1), **Sch. 13**; S.I. 2005/695, art. 2(7), Sch. 1
- F9** Words in s. 101J(6)(a) substituted (6.4.2006) by Pensions Act 2004 (c. 35), s. 322(1), **Sch. 12 para. 15(b)**; S.I. 2006/560, art. 2(3), Sch. Pt. 3

101K Withdrawal of transfer notice.

- (1) Subject to subsections (2) and (3), a person who has given a transfer notice may withdraw it by giving the trustees or managers to whom it was given notice in writing that he no longer requires them to comply with it.
- (2) A transfer notice may not be withdrawn if the trustees or managers have already entered into an agreement with a third party to use the whole or part of the amount they are required to use in accordance with the notice.
- (3) If the giving of a transfer notice depended on the making of an application under section 95, the notice may only be withdrawn if the application is also withdrawn.

101L Variation of the amount required to be used.

- (1) Regulations may make provision for the amount required to be used under section 101F(1) to be increased or reduced in prescribed circumstances.
- (2) Without prejudice to the generality of subsection (1), the circumstances which may be prescribed include—
 - (a) failure by the trustees or managers of a qualifying scheme to comply with a notice under section 101F(1) within 6 months of the date by reference to which the amount of the cash equivalent falls to be determined, and
 - (b) the state of funding of a qualifying scheme.
- (3) Regulations under subsection (1) may have the effect of extinguishing an obligation under section 101F(1).

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101M Effect of transfer on trustees' duties.

Compliance with a transfer notice shall have effect to discharge the trustees or managers of a qualifying scheme from any obligation to provide the pension credit benefit of the eligible member who gave the notice.

Modifications etc. (not altering text)

C2 S. 101M modified (27.4.2005) by [The Occupational and Personal Pension Schemes \(Pension Liberation\) Regulations 2005 \(S.I. 2005/992\)](#), regs. 1(1), **3(2)**

101N Matters to be disregarded in calculations.

In making any calculation for the purposes of this Chapter—

- (a) any charge or lien on, and
- (b) any set-off against,

the whole or part of a pension shall be disregarded.

101O Service of notices.

A notice under section 101F(1) or 101K(1) shall be taken to have been given if it is delivered to the trustees or managers personally or sent by post in a registered letter or by recorded delivery service.

101P Interpretation of Chapter II.

(1) In this Chapter—

“eligible member”, in relation to a qualifying scheme, means a member who has pension credit rights under the scheme;

“normal benefit age”, in relation to an eligible member of a qualifying scheme, means the earliest age at which the member is entitled to receive a pension by virtue of his pension credit rights under the scheme (disregarding any scheme rule making special provision as to early payment of pension on grounds of ill-health or otherwise);

“pension credit benefit”, in relation to an eligible member of a qualifying scheme, means the benefits payable under the scheme to or in respect of the member by virtue of rights under the scheme attributable (directly or indirectly) to a pension credit;

“pension credit rights”, in relation to a qualifying scheme, means rights to future benefits under the scheme which are attributable (directly or indirectly) to a pension credit;

“qualifying scheme” means a funded occupational pension scheme and a personal pension scheme;

“transfer notice” has the meaning given by section 101F(7).

(2) For the purposes of this Chapter, an occupational pension scheme is salary related if—

- (a) it is not a money purchase scheme, and
- (b) it does not fall within a prescribed class.

(3) In this Chapter, references to the relevant statement under section 101H, in relation to a transfer notice given to the trustees or managers of a salary related occupational

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pension scheme, are to the statement under that section on which the giving of the notice depended.

- (4) For the purposes of this section, an occupational pension scheme is funded if it meets its liabilities out of a fund accumulated for the purpose during the life of the scheme.

101Q Power to modify Chapter II in relation to hybrid schemes.

Regulations may apply this Chapter with prescribed modifications to occupational pension schemes—

- (a) which are not money purchase schemes, but
- (b) where some of the benefits that may be provided are money purchase benefits.]

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