



# Pension Schemes Act 2015

## 2015 CHAPTER 8

### PART 4

#### PENSIONS FLEXIBILITIES

#### CHAPTER 4

##### TRANSFERS

##### *Great Britain*

#### **68 Restriction on transfers out of unfunded public service defined benefits schemes: Great Britain**

- (1) The Pension Schemes Act 1993 is amended as follows.
- (2) In section 95 (ways of taking right to cash equivalent), in subsection (2), after “occupational pension scheme” insert “that is not an unfunded public service defined benefits scheme”.
- (3) In section 95, after subsection (2) insert—
  - “(2A) In the case of a member of an occupational pension scheme that is an unfunded public service defined benefits scheme, the ways referred to in subsection (1) are—
    - (a) for acquiring transfer credits allowed under the rules of another occupational pension scheme if—
      - (i) the benefits that may be provided under the other scheme by virtue of the transfer credits are not flexible benefits,
      - (ii) the trustees or managers of the other scheme are able and willing to accept payment in respect of the member’s transferrable rights, and

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- (iii) the other scheme satisfies requirements prescribed in regulations made by the Secretary of State or the Treasury;
  - (b) for acquiring rights allowed under the rules of a personal pension scheme if—
    - (i) the benefits that may be provided under the personal pension scheme by virtue of the acquired rights are not flexible benefits,
    - (ii) the trustees or managers of the personal pension scheme are able and willing to accept payment in respect of the member’s transferrable rights, and
    - (iii) the personal pension scheme satisfies requirements prescribed in regulations made by the Secretary of State or the Treasury;
  - (c) for purchasing from one or more insurers such as are mentioned in section 19(4)(a), chosen by the member and willing to accept payment on account of the member from the trustees or managers, one or more annuities which satisfy requirements prescribed in regulations made by the Secretary of State or the Treasury;
  - (d) for subscribing to other pension arrangements which satisfy requirements prescribed in regulations made by the Secretary of State or the Treasury.
- (2B) The Treasury may by regulations provide for sub-paragraph (i) of subsection (2A)(a) or (b) not to apply in prescribed circumstances or in relation to prescribed schemes or schemes of a prescribed description.
- (2C) In subsections (2) and (2A) “unfunded public service defined benefits scheme” means a public service pension scheme that—
- (a) is a defined benefits scheme within the meaning given by section 37 of the Public Service Pensions Act 2013, and
  - (b) meets some or all of its liabilities otherwise than out of a fund accumulated for the purpose during the life of the scheme.”
- (4) After section 95(5) insert—
- “(5A) Except in such circumstances as may be prescribed in regulations made by the Secretary of State or the Treasury, subsection (2A) is to be construed as if paragraph (d) were omitted.”
- (5) In section 95(6)—
- (a) after “subsections (2)” insert “, (2A)”;
  - (b) after “subsection (2)” insert “or (2A)”.
- (6) In section 96 (further provisions concerning exercise of option under section 95), in subsection (2)(b), after “subsection (2)” insert “, subsection (2A)”.
- (7) In section 100 (withdrawal of applications), in subsection (2), after “subsection (2)” insert “, subsection (2A)”.
- (8) The amendments made by this section have no effect in relation to an application made under section 95(1) of the Pension Schemes Act 1993 before 6 April 2015.
- (9) Until the coming into force of the first regulations made under a provision of the Pension Schemes Act 1993 specified in the first column of the table, regulations made

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under the provision of that Act specified in the corresponding entry in the second column apply (with any necessary modifications) for the purposes of the provision specified in the first column—

<i>New provision of Act</i>	<i>Existing provision of Act</i>
Section 95(2A)(a)(iii)	Section 95(2)(a)(ii)
Section 95(2A)(b)(iii)	Section 95(2)(b)(ii)
Section 95(2A)(c)	Section 95(2)(c)
Section 95(2A)(d)	Section 95(2)(d)
Section 95(5A)	Section 95(5)(a).