
STATUTORY INSTRUMENTS

1995 No. 1019

The Local Government Pension Scheme Regulations 1995

PART K

INTERCHANGE ETC

Transfers out

Amount of transfer value under regulation K2

K5.—(1) The amount of any transfer value payable under regulation K2 shall be calculated in accordance with the following provisions.

(2) Subject to the provisions of this Part, a transfer value to be paid in accordance with the provisions of regulation K2 in respect of a person shall be an amount equal to the capitalised value—

- (a) of the rights which have accrued in respect of him under these regulations at the material date, and
- (b) of any associated rights under the Pensions (Increase) Act 1971(1) and the Pensions (Increase) Act 1974(2),

less a sum in respect of any state scheme premium which is payable or has been paid and not recovered in respect of a period of service taken into account in the valuation of those rights.

(3) Subject to regulation K9, where the transfer value is, without reasonable cause or excuse, not paid before the expiry of the period of six months beginning with the material date, the transfer value mentioned in paragraph (2) shall be increased by—

- (a) interest, calculated on a daily basis over the period from the material date to the date on which the transfer value is paid at the rate set out in regulation 4(4)(a) of the Occupational Pension Schemes (Transfer Values) Regulations 1985(3), or
- (b) the amount by which the transfer value falls short of what it would have been if the material date had been the date on which the transfer value was paid;

whichever is the greater.

(4) The reference in paragraph (2)(a) to rights which have accrued at the material date is a reference—

- (a) in the case of such a person as is described in regulation K2(6), to those rights in respect of which his application under regulation K2(2)(c) was made; or
- (b) if the person does not have a statutory pension entitlement by virtue of satisfying paragraph (a) of regulation D3, to the rights which would have accrued under regulation D11, if he had fulfilled one of the requirements mentioned in paragraph (1)(b) of that regulation;

(1) 1971 c. 56.
(2) 1974 c. 9.
(3) S.I. 1985/1931.

and for the purpose of determining the accrued rights in respect of a widow's or widower's pension of a person who was unmarried on ceasing to be a member—

- (i) in the case of a man, if any part of his membership can be counted by virtue of regulation K14(1)(a) of these Regulations or regulation N8(1)(a) of the 1974 Regulations; and
- (ii) in the case of a woman, if any part of her membership is treated as membership after 5th April 1988 by virtue of regulation K14(1)(a) and (2)(b) of these Regulations, all the person's membership shall be taken into account.

(5) In paragraph (2) “capitalised value” means the capitalised value at the material date as determined by the fund authority, in such manner as may be approved by the Government Actuary or by an actuary authorised by him to act on his behalf for that purpose, having regard to investment conditions and the contingencies on which benefits are, or are to be, payable under these regulations.

(6) In this regulation “the material date” means—

- (a) the date on which the person ceased to be employed in local government employment or to be a member as described in regulation K2(1), or
- (b) the date on which his application for payment of a transfer value is received by his fund authority,

whichever is later.