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STATUTORY INSTRUMENTS

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**1996 No. 1847**

**The Occupational Pension Schemes  
(Transfer Values) Regulations 1996**

**PART VI**

**MODIFICATION OF THE 1993 ACT**

**Extension of time within which member may exercise option to take a guaranteed cash equivalent**

**14.**—(1) Where a member's guaranteed cash equivalent has been reduced or increased under regulation 9, section 94(1)(aa) of the 1993 Act does not apply, or ceases to apply, but if the member—

- (a) has made a relevant application within three months beginning with the guarantee date; or
- (b) makes a relevant application within three months beginning with the date on which the member is informed that the guaranteed cash equivalent is to be increased or reduced

the member acquires a right to the guaranteed cash equivalent as so increased or reduced.

(2) In any case in which a member, within three months beginning with the guarantee date, disputes the amount of the guaranteed cash equivalent, or, within three months beginning with the date on which that member is informed that the guaranteed cash equivalent is to be increased or reduced in accordance with regulation 9, disputes the basis or amount of the increase or reduction, section 94(1)(aa) does not apply, or ceases to apply, but if the member—

- (a) has made a relevant application within three months beginning with the guarantee date; or
- (b) makes a relevant application within three months beginning with the date on which the amount of the guaranteed cash equivalent is finally determined

the member acquires a right to the guaranteed cash equivalent at the amount so determined.

**Cases where normal pension age is earlier than 60**

**15.** In their application to a member of a scheme whose normal pension age is earlier than 60, section 93(1)(a)(i) of the 1993 Act (scope of Chapter IV) shall have effect as if the words "at least one year" were omitted and sections 95(8)(a), 98(7)(a) (variation and loss of rights under section 94) and 99(2)(a) and (b) of that Act shall have effect as if the references in them to normal pension age were references to the age of 60.

**Accrued rights, or liabilities in respect of accrued rights, transferred without consent**

**16.**—(1) This regulation applies where—

- (a) a member has acquired a right under section 94 of the 1993 Act to a cash equivalent but has not exercised the option conferred by section 95 of that Act; and
- (b) the member's accrued rights have been transferred to another scheme without that member's consent.

(2) Where this regulation applies, Chapter IV of Part IV of the 1993 Act shall have effect as if the member's right to a cash equivalent of the benefits in respect of which a transfer or transfer payment has been made existed in relation to the receiving scheme instead of the transferring scheme.

### **Schemes with an overseas element**

**17.—**(1) This regulation applies to schemes with any overseas element, as described in section 165(6) of the 1993 Act (requirements as to preservation of benefit under occupational pension schemes).

(2) Where this regulation applies, Chapter IV of Part IV of the 1993 Act applies to schemes with any overseas element only to the extent that the requirements specified in or under sections 71 to 82 of the 1993 Act (the preservation requirements) apply to the scheme.

### **Termination of pensionable service in certain circumstances to be disregarded**

**18.—**(1) Subject to paragraph (3), where a member's pensionable service terminates in the circumstances set out in paragraph (2), Chapter IV of Part IV of the 1993 Act shall have effect as if that pensionable service had not terminated.

(2) The circumstances referred to in paragraph (1) are that—

- (a) the pensionable service which has terminated is a period of such service which is one, other than the last one, of a series of such periods in employment to which the scheme relates; and
- (b) there is between successive periods of pensionable service—
  - (i) no interval,
  - (ii) an interval not exceeding one month,
  - (iii) an interval of any length if it is between two periods of pensionable service the second of which results from the exercise of a right to return to work under section 79 of the Employment Rights Act 1996, or
  - (iv) an interval of any length if it is between two periods of pensionable service the second of which results from a return to work by the member following a period of absence arising in consequence of a trade dispute within the meaning of section 35 of the Jobseekers Act 1995<sup>(1)</sup>.

(3) This regulation shall not have effect where the trustees of a scheme, during any interval such as is set out in paragraph (2)(b)(ii) to (iv), do what is needed to carry out what a member requires in exercising an option under section 95 of the 1993 Act.

### **Hybrid schemes**

**19.—**(1) In this regulation “hybrid scheme” means a scheme which is a salary related scheme but under which some of the benefits which may be provided are money purchase benefits.

(2) In relation to a hybrid scheme—

- (a) section 93A(1) of the 1993 Act shall take effect as if after the word “benefits” there were added the words “other than money purchase benefits”;
- (b) section 94(1)(a) of the 1993 Act shall take effect as if the words “other than a salary related scheme” were omitted and as if for the words “any benefits” there were substituted the words “any money purchase benefits”; and

(1) 1995 c. 18.

- (c) section 96(1)(a) of the 1993 Act (further provisions concerning exercise of option under section 95) shall take effect as if it read “in relation to both the whole of his guaranteed cash equivalent and the whole of any other cash equivalent such as is mentioned in section 94(1)(a);”.