
STATUTORY INSTRUMENTS

1996 No. 3126

**The Occupational Pension Schemes
(Winding Up) Regulations 1996**

Discharge of liabilities by insurance etc.

Requirements applicable to notices of discharge under regulation 6

- 7.—(1) A notice under regulation 6(2)(a) (“a discharge notice”) must specify—
- (a) the sum which is available to be used to discharge the liability of the scheme to the member or, as the case may be, the beneficiary in respect of his rights under the scheme; and
 - (b) if the full amount of that liability, as calculated in accordance with regulation 4, is greater than that sum, that amount and the reason for the difference.
- (2) A discharge notice must—
- (a) specify the way or ways in which it is proposed to discharge the liability;
 - (b) if the proposed way or any of the proposed ways requires the consent of the member or, as the case may be, the beneficiary, state—
 - (i) that his consent is so required,
 - (ii) the period within which his consent must be given, being at least three months beginning with the date on which the notice is given, and
 - (iii) the way or ways in which it is proposed to discharge the liability if he does not give his consent; and
 - (c) if the proposed way is that mentioned in regulation 8(5), state any further requirements which must be met before discharge may be made in that way.
- (3) If there are any options available to the member or beneficiary, the discharge notice must specify them and state—
- (a) that if he wishes to elect that, instead of the liability being discharged in the proposed way, it should be discharged in one or more of the other ways mentioned in section 74(3) which are available in his case (or partly in the proposed way and partly in another such way), then he must give notice to that effect in writing to the trustees or managers, specifying—
 - (i) the way or ways in which he wishes the liability to be discharged, and
 - (ii) the name of the relevant provider;
 - (b) that such a notice must be given by him before the expiry of the period of three months beginning with the date on which the discharge notice is given to him; and
 - (c) that it would be advisable for him to obtain independent financial advice before deciding whether to make such an election.
- (4) The statement mentioned in paragraph (3)(c) must also be included in any case where the consent of the member or the beneficiary is required.
- (5) Where it is proposed to discharge the liability in the way mentioned in section 74(3)(a), the discharge notice must specify the name of the relevant provider and the scheme address.

(6) Where it is proposed to discharge the liability in the way mentioned in section 74(3)(b), the discharge notice must specify the name of the relevant provider and (if different) of the person who is the scheme administrator and the scheme address.

(7) Where it is proposed to discharge the liability in the way mentioned in section 74(3)(c) or in regulation 8(4), the discharge notice must specify—

- (a) the name and address of the relevant provider;
- (b) if different, the name and address of the person from whom information about the terms of the contract for the provision of the annuity which is to be purchased or, as the case may be, the benefit of which is to be transferred can be obtained; and
- (c) in a case where the contract for the provision of the annuity has not been made at the time the notice is given, whether information about its terms will be given on the assumption that they will coincide with the terms of a quotation.

(8) In this regulation—

“the relevant provider” means—

- (a) in the case of the acquisition of transfer credits under another occupational pension scheme, the trustees or managers of the scheme;
- (b) in the case of the acquisition of rights under a personal pension scheme, the person who is responsible for the provision of pensions and other benefits under the scheme; and
- (c) in the case of the purchase or transfer of the benefit of an annuity, the insurance company or companies from which the annuity is to be or, as the case may be, has been purchased;

“the scheme address”, in relation to a scheme, means the place in the United Kingdom where the management of the scheme is conducted or, if there is more than one such place, the principal place;

“scheme administrator” has the meaning given in section 630(1) of the Income and Corporation Taxes Act 1988(1).

(9) A discharge notice and any notice under paragraph (3) shall be treated as having been given to a person if it has been sent to him by post at the address at which he was last known by the trustees or managers of the scheme to be living.

(10) Discharge notices and notices under paragraph (3) are not required to be given to a person if—

- (a) the trustees or managers know no such address as is mentioned in paragraph (9) for him, or
- (b) correspondence sent to the address at which he was last known by them to be living has been returned.