
STATUTORY INSTRUMENTS

2000 No. 1048

**The Pensions on Divorce etc. (Provision
of Information) Regulations 2000**

Information about pensions and divorce: valuation of pension benefits

3.—(1) Where an application for financial relief under any of the provisions referred to in section 23(1)(a)(i) or (iii) of the 1999 Act (supply of pension information in connection with domestic and overseas divorce etc. in England and Wales and corresponding Northern Ireland powers) has been made or is in contemplation, the valuation of benefits under a pension arrangement shall be calculated and verified for the purposes of regulation 2 of these Regulations in accordance with—

- (a) paragraph (3), if the person with pension rights is a deferred member of an occupational pension scheme;
- (b) paragraph (4), if the person with pension rights is an active member of an occupational pension scheme;
- (c) paragraphs (5) and (6), if—
 - (i) the person with pension rights is a member of a personal pension scheme; or
 - (ii) those pension rights are contained in a retirement annuity contract; or
- (d) paragraphs (7) to (9), if—
 - (i) the pension of the person with pension rights is in payment;
 - (ii) the rights of the person with pension rights are contained in an annuity contract other than a retirement annuity contract; or
 - (iii) the rights of the person with pension rights are contained in a deferred annuity contract other than a retirement annuity contract.

(2) Where an application for financial provision under any of the provisions referred to in section 23(1)(a)(ii) of the 1999 Act (corresponding Scottish powers) has been made, or is in contemplation, the valuation of benefits under a pension arrangement shall be calculated and verified for the purposes of regulation 2 of these Regulations in accordance with regulation 3 of the Divorce etc. (Pensions) (Scotland) Regulations 2000⁽¹⁾ (valuation).

(3) Where the person with pension rights is a deferred member of an occupational pension scheme, the value of the benefits which he has under that scheme shall be taken to be—

- (a) in the case of an occupational pension scheme other than a salary related scheme, the cash equivalent to which he acquired a right under section 94(1)(a) of the 1993 Act⁽²⁾ (right to cash equivalent) on the termination of his pensionable service, calculated on the assumption that he has made an application under section 95 of that Act⁽³⁾ (ways of taking right to cash equivalent) on the date on which the request for the valuation was received; or

⁽¹⁾ S.S.I. 2000/112.

⁽²⁾ Section 94(1)(a) was amended by section 154 of the Pensions Act 1995.

⁽³⁾ Section 95 was amended by paragraph 3 of Schedule 6 to the Pensions Act 1995.

- (b) in the case of a salary related occupational pension scheme, the guaranteed cash equivalent to which he would have acquired a right under section 94(1)(aa) of the 1993 Act(4) if he had made an application under section 95(1) of that Act, calculated on the assumption that he has made such an application on the date on which the request for the valuation was received.
- (4) Where the person with pension rights is an active member of an occupational pension scheme, the valuation of the benefits which he has accrued under that scheme shall be calculated and verified—
- (a) on the assumption that the member had made a request for an estimate of the cash equivalent that would be available to him were his pensionable service to terminate on the date on which the request for the valuation was received; and
- (b) in accordance with regulation 11 of and Schedule 1 to the Occupational Pension Schemes (Transfer Values) Regulations 1996(5) (disclosure).
- (5) Where the person with pension rights is a member of a personal pension scheme, or those rights are contained in a retirement annuity contract, the value of the benefits which he has under that scheme or contract shall be taken to be the cash equivalent to which he would have acquired a right under section 94(1)(b) of the 1993 Act, if he had made an application under section 95(1) of that Act on the date on which the request for the valuation was received.
- (6) In relation to a personal pension scheme which is comprised in a retirement annuity contract made before 4th January 1988, paragraph (5) shall apply as if such a scheme were not excluded from the scope of Chapter IV of Part IV of the 1993 Act by section 93(1)(b) of that Act (scope of Chapter IV).
- (7) Except in a case to which, or to the extent to which, paragraph (9) applies, the cash equivalent of benefits in respect of a person referred to in paragraph (1)(d) shall be calculated and verified in such manner as may be approved in a particular case by—
- (a) a Fellow of the Institute of Actuaries;
- (b) a Fellow of the Faculty of Actuaries(6); or
- (c) a person with other actuarial qualifications who is approved by the Secretary of State, at the request of the person responsible for the pension arrangement in question, as being a proper person to act for the purposes of this regulation in connection with that arrangement.
- (8) Except in a case to which paragraph (9) applies, cash equivalents are to be calculated and verified by adopting methods and making assumptions which—
- (a) if not determined by the person responsible for the pension arrangement in question, are notified to him by an actuary referred to in paragraph (7); and
- (b) are certified by the actuary to the person responsible for the pension arrangement in question as being consistent with “Retirement Benefit Schemes—Transfer Values (GN11)” published by the Institute of Actuaries and the Faculty of Actuaries and current at the date on which the request for the valuation is received(7).
- (9) Where the cash equivalent, or any portion of it represents rights to money purchase benefits under the pension arrangement in question of the person with pension rights, and those rights do not fall, either wholly or in part, to be valued in a manner which involves making estimates of the value of benefits, then that cash equivalent, or that portion of it, shall be calculated and verified

(4) Section 94(1)(aa) was inserted by section 154(2) of the Pensions Act 1995.

(5) S.I.1996/1847.

(6) The Institute of Actuaries is at Staple Inn Hall, High Holborn, London WC1V 7QJ. The Faculty of Actuaries is at Maclaurin House, 18 Dublin Street, Edinburgh EH1 3PP.

(7) The publication “Retirement Benefit Schemes—Transfer Values (GN11)” may be obtained from the Institute of Actuaries, Staple Inn Hall, High Holborn, London WC1V 7QJ, and from the Faculty of Actuaries, Maclaurin House, 18 Dublin Street, Edinburgh EH1 3PP. The publication is also available on the following internet web-site: <http://www.actuaries.org.uk>.

in such manner as may be approved in a particular case by the person responsible for the pension arrangement in question, and by adopting methods consistent with the requirements of Chapter IV of Part IV of the 1993 Act (protection for early leavers—transfer values).

(10) Where paragraph (3), (4) or (9) has effect by reference to provisions of Chapter IV of Part IV of the 1993 Act, section 93(1)(a)(i) of that Act⁽⁸⁾ (scope of Chapter IV) shall apply to those provisions as if the words “at least one year” had been omitted from section 93(1)(a)(i).

⁽⁸⁾ Section 93(1)(a) was substituted by section 152(2) of the Pensions Act 1995.