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STATUTORY INSTRUMENTS

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**2000 No. 2691**

**The Pension Sharing (Consequential and Miscellaneous Amendments) Regulations 2000**

**Amendment of the Pension Sharing (Valuation) Regulations 2000**

**10.**—(1) The Pension Sharing (Valuation) Regulations 2000(1) shall be amended in accordance with this regulation.

(2) In regulation 1 (citation, commencement and interpretation), in paragraph (2) after the definition of “transfer credits”, insert the following definition—

““transfer day” has the meaning given by section 29(8) of the 1999 Act;”.

(3) In regulation 4 (occupational pension schemes: manner of calculation and verification of cash equivalents)—

(a) after paragraph (2) insert the following paragraphs—

“(2A) Where the person with pension rights is a deferred member of an occupational pension scheme on the transfer day, the value of the benefits which he has accrued 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(1) of that Act(3) (ways of taking right to cash equivalent); or
- (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.

(2B) Where the person with pension rights is an active member of an occupational pension scheme on the transfer day, the value 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 transfer day; and
- (b) in accordance with regulation 11 of, and Schedule 1 to, the Occupational Pension Schemes (Transfer Values) Regulations 1996 (disclosure).”; and

(b) in paragraph (5) at the end insert the following words—

“, and by adopting methods consistent with the requirements of Chapter IV of Part IV of the 1993 Act (protection for early leavers—transfer values)”.

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(1) S.I.2000/1052.

(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.

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

(4) In regulation 5 (occupational pension schemes: further provisions as to the calculation of cash equivalents and increases and reductions of cash equivalents), for paragraph (5) substitute the following paragraph—

“(5) The reduction referred to in paragraph (3) shall not apply to a case where liability in respect of a pension credit is to be discharged in accordance with—

- (a) paragraph 1(2) of Schedule 5 to the 1999 Act (pension credits: mode of discharge—funded pension schemes); or
- (b) paragraph 1(3) of that Schedule, in a case where regulation 7(2) of the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000(5) applies.”.

(5) In regulation 6 (other relevant arrangements: manner of calculation and verification of cash equivalents)—

(a) after paragraph (1) insert the following paragraphs—

“(1A) 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 accrued under that scheme or contract on the transfer day 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.

(1B) In relation to a personal pension scheme which is comprised in a retirement annuity contract made before 4th January 1988, paragraph (2) 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).”; and

(b) in paragraph (3) at the end insert the following words—“, and by adopting methods consistent with the requirements of Chapter IV of Part IV of the 1993 Act”.