
S T A T U T O R Y I N S T R U M E N T S

2000 No. 2975

PENSIONS

**The Pension Sharing (Contracting-out)
(Consequential Amendments) Regulations 2000**

<i>Made</i> - - - - -	<i>5th November 2000</i>
<i>Laid before Parliament</i>	<i>10th November 2000</i>
<i>Coming into force</i> - -	<i>1st December 2000</i>

The Secretary of State for Social Security, in exercise of the powers conferred on him by sections 83(4) and (6) and 84(2) of the Welfare Reform and Pensions Act 1999^(a), and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Pension Sharing (Contracting-out) (Consequential Amendments) Regulations 2000 and shall come into force on 1st December 2000.

Amendment of the Occupational Pension Schemes (Contracting-out) Regulations 1996

2.—(1) The Occupational Pension Schemes (Contracting-out) Regulations 1996^(b) shall be amended in accordance with the following paragraphs of this regulation.

(2) In regulation 1(2) (interpretation)—

(a) after the definition of “overseas scheme” there shall be inserted the following definition:

““pension debit” means a debit under section 29(1)(a) of the Welfare Reform and Pensions Act 1999;”;

(b) after the definition of “principal appointed day” there shall be inserted the following definitions:

““relevant transferee” means any person for whose benefit an order or provision is made by virtue of which section 29 of the Welfare Reform and Pensions Act 1999 (creation of pension debits and credits) applies, where the order or provision relates to the rights of another person who is a member of the scheme; “safeguarded rights” has the same meaning as in section 68A of the 1993 Act^(c).”.

(3) In regulation 20 (trivial commutation of benefits derived from section 9(2B) rights)—

(a) after the words “earner’s section 9(2B) rights” there shall be inserted the words “or a relevant transferee’s safeguarded rights”; and

(b) in paragraph (b) for the words “payable to the earner” there shall be substituted the words “, or safeguarded rights, payable to the earner or, as the case may be, to the relevant transferee”.

(a) 1999 c. 30.

(b) S.I. 1996/1172; the relevant amending instruments are S.I. 1996/1577, 1997/786, 1997/819, 1997/3038 and 1999/3198.

(c) Section 68A was inserted by section 36 of the Welfare Reform and Pensions Act 1999.

(4) In regulation 23 (requirements for meeting the statutory standard), in paragraph (d) for the words from “in respect of” to the end of the paragraph there shall be substituted the words “in respect of—

- (i) earners who are not in contracted-out employment, or
- (ii) safeguarded rights;”.

(5) In regulation 39 (circumstances in which schemes may change mode of contracting-out)—

- (a) in paragraph (1) after the words “protected rights” there shall be inserted the words “and any safeguarded rights”; and
- (b) in paragraph (2) for the words “and section 9(2B) rights” there shall be substituted the words “, section 9(2B) rights and any safeguarded rights”.

(6) In regulation 73 (transitional arrangements and savings for salary related schemes which have begun winding up before the principal appointed day), in paragraph (b) after the words “1993 Act” there shall be inserted the words “and any liabilities in respect of safeguarded rights under section 68A of that Act”.

(7) In regulation 76A (transitional arrangements for schemes contracted-out under section 9(2) of the Pension Schemes Act 1993 to become contracted-out under section 9(3) of that Act)(a) for paragraph (3) there shall be substituted the following paragraph:

“(3) Where this regulation applies—

- (a) sections 50, 52 and 53 of that Act (approval of arrangements for, and supervision of, schemes which cease to be contracted-out) as they apply in relation to the guaranteed minimum pensions provided under the scheme; and
- (b) sections 50 and 52 of that Act as they apply in relation to safeguarded rights under the scheme,

shall be modified so as to have effect as if those pensions were provided or, as the case may be, those rights were conferred under a separate scheme which had ceased to be certified as a contracted-out scheme immediately before the principal appointed day.”.

Amendment of the Occupational Pension Schemes (Mixed Benefit Contracted-out Schemes) Regulations 1996

3. In regulation 4 of the Occupational Pension Schemes (Mixed Benefit Contracted-out Schemes) Regulations 1996(b) (transfers between parts of a relevant scheme)—

- (a) in paragraph (1) after sub-paragraph (b) there shall be inserted the following sub-paragraph:
“(c) Part III of the Pension Sharing (Pension Credit Benefit) Regulations 2000(c).”;
- (b) in paragraph (2)—
 - (i) after the words “or accrued section 9(2B) rights” there shall be inserted the words “or the safeguarded rights of a relevant transferee”,
 - (ii) in sub-paragraph (b) after the word “earner” there shall be inserted the words “or, as the case may be, the relevant transferee”, and
 - (iii) in sub-paragraph (c) for the words “or section 9(2B) rights” there shall be substituted the words “, section 9(2B) rights or, as the case may be, safeguarded rights”; and

(c) after paragraph (2) there shall be added the following paragraph:

“(3) In paragraph (2) above—

“relevant transferee” means any person for whose benefit an order or provision is made by virtue of which section 29 of the Welfare Reform and Pensions Act 1999 applies, where that order or provision relates to the rights of a person who is a member of the scheme; and

“safeguarded rights” has the same meaning as in section 68A of the 1993 Act.”.

(a) Regulation 76A was inserted by S.I. 1996/1577 and amended by S.I. 1997/786 and 3038.

(b) S.I. 1996/1977.

(c) S.I. 2000/1054, amended by S.I. 2000/2691.

Amendment of the Personal Pension Schemes (Appropriate Schemes) Regulations 1997

4. In regulation 8 of the Personal Pension Schemes (Appropriate Schemes) Regulations 1997(a) (applications for variation of, and to surrender, appropriate scheme certificates)—

(a) in paragraph (2) after sub-paragraph (b) there shall be inserted the words—

“and

(c) any relevant transferee who has safeguarded rights under the scheme,”; and

(b) after paragraph (2) there shall be inserted the following paragraph:

“(2A) In paragraph (2)(c) above—

“relevant transferee” means any person for whose benefit an order or provision is made by virtue of which section 29 of the Welfare Reform and Pensions Act 1999 applies, where that order or provision relates to the rights of a person who is a member of the scheme; and

“safeguarded rights” has the same meaning as in section 68A of the 1993 Act.”.

Signed by authority of the Secretary of State for Social Security.

5th November 2000

Jeff Rooker
Minister of State,
Department of Social Security

(a) S.I. 1997/470.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend instruments which make provision in relation to occupational and personal pension schemes which are, or have been, contracted-out under Part III of the Pension Schemes Act 1993, in consequence of the coming into force of Part IV of the Welfare Reform and Pensions Act 1999 (which provides for the sharing of pensions as part of the financial arrangements made following divorce or nullity of marriage).

Regulations 2, 3 and 4 of these Regulations amend, respectively, the Occupational Pension Schemes (Contracting-out) Regulations 1996, the Occupational Pension Schemes (Mixed Benefit Contracted-out Schemes) Regulations 1996 and the Personal Pension Schemes (Appropriate Schemes) Regulations 1997 to ensure that those pension rights (“safeguarded rights”) which are conferred on any person under the pension sharing arrangements and are derived from the rights of a member which are protected under the contracting-out arrangements (“contracted-out rights”) receive similar protection to that accorded to contracted-out rights.

An assessment of the cost to business of the provisions of the Welfare Reform and Pensions Act 1999, including these Regulations, is detailed in the Regulatory Impact Assessment for that Act. A copy of this assessment has been placed in the libraries of both Houses of Parliament. Copies can be obtained by post from the Department of Social Security, Pensions on Divorce, 3rd Floor, The Adelphi, 1-11 John Adam Street, London WC2N 6HT.

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