

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational Pension Schemes (Contracting-out) Regulations 1996 (S.I.1996/1172) (“the principal Regulations”).

Regulation 2 amends regulation 60 of the principal Regulations to provide for the payment of a lump sum instead of a guaranteed minimum pension where the payment qualifies as a serious ill-health lump sum payment under the Finance Act 2004 (c. 12).

These Regulations have only a negligible impact on the cost or savings of business, charities or the voluntary sector. Publication of a full Regulatory Impact Assessment is not necessary for such legislation.