
STATUTORY INSTRUMENTS

2008 No. 654

**The National Health Service Pension
Scheme (Amendment) Regulations 2008**

Insertion of new regulation E7

14. After regulation E6 (lump sum on retirement) insert—

“General option to exchange part of pension for lump sum

E7.—(1) This regulation applies to a member whose pensionable employment ceases on or after 1st April 2008.

(2) A member may opt to exchange part of a pension to which the member would otherwise be entitled for a lump sum, which must be an evenly divisible multiple of £12.

(3) If a member so opts, for every £1 by which the member’s annual pension is reduced, the member is to be paid a lump sum of £12.

(4) An option under paragraph (2) must relate to an annual amount of pension that is a whole number of pounds (and accordingly the lump sum will be exactly divisible by 12).

(5) In paragraph (4) “annual amount” in relation to a pension means the amount of the annual pension to which the member would be entitled under these regulations apart from the option, together with any increases payable under the Pensions (Increase) Act 1971, calculated as at the time the payment would be first due.

(6) A member may not exchange pension for lump sum under this regulation to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 of the 2004 Act⁽¹⁾.

(7) If the member has a guaranteed minimum under section 14 of the 1993 Act in relation to the whole or part of a pension, paragraph (2) only applies to so much of the pension as exceeds that guaranteed minimum, multiplied by such factor as is indicated for a person of the member’s description in tables provided by the Scheme Actuary.

(8) The option under this regulation may only be exercised by giving notice in writing to the scheme administrator in the form required by the Secretary of State—

- (a) at the time of claiming the pension; or
- (b) before a later time specified in writing by the scheme administrator.”.

Commencement Information

II Reg. 14 in force at 1.4.2008, see [reg. 1\(2\)](#)

⁽¹⁾ See, in particular, section 241 of, and paragraph 1 of Schedule 29 to, that Act.

Changes to legislation:

There are currently no known outstanding effects for the The National Health Service Pension Scheme (Amendment) Regulations 2008, Section 14.