
STATUTORY INSTRUMENTS

2014 No. 1964

**The Public Service (Civil Servants and
Others) Pensions Regulations 2014**

PART 6

Retirement benefits

CHAPTER 6

Allocation of part of pension

Allocation election

86.—(1) This regulation applies in relation to a full retirement earned pension or a partial retirement earned pension payable in respect of a member's pensionable service under this scheme.

(2) The member may elect to allocate part of the retirement pension to a beneficiary ("allocation election").

(3) The beneficiary of an allocation election must be a person who, when the allocation election is made, is—

- (a) the member's spouse or civil partner;
- (b) financially wholly or mainly dependent on the member; or
- (c) financially interdependent with the member.

(4) If the member wishes to allocate pension to more than one beneficiary, the member must make a separate allocation election in respect of each beneficiary.

(5) If paragraph (6) applies, the member may elect to allocate only so much of the pension (after subtracting the commutation amount, if any) that exceeds the guaranteed minimum, multiplied by such factor as is indicated for a person of the member's description in tables provided by the scheme actuary.

(6) This paragraph applies if the member has a guaranteed minimum under section 14 (earner's guaranteed minimum) of PSA 1993 in relation to the whole or part of a pension as a result of receipt by this scheme of a transfer payment from another pension scheme in respect of which the member had such a guaranteed minimum.

Restriction on total amount of pension that may be allocated

87.—(1) The sum of the following must not exceed an amount equal to the annual rate of retirement pension that would be payable to the member (P)—

- (a) the total amount of retirement pension allocated under this regulation ("total allocation amount"); and
- (b) the annual rate of surviving adult's pension that would be payable on P's death.

(2) In determining whether the restriction in paragraph (1) is met, it is assumed that—

- (a) P will have become a pensioner member before P's death;
- (b) P will exercise the commutation option so as to exchange for a lump sum the maximum amount possible of the whole of P's accrued pensions;
- (c) P's spouse or civil partner status will not change before P dies;
- (d) all of P's beneficiaries will survive P; and
- (e) any beneficiary who would have been P's dependant for the purposes of paragraph 15(2) or (3) of Schedule 28 (registered pension schemes: authorised pensions – supplementary) to FA 2004(1) will be such a dependant when P dies.

(3) If at the time an allocation election is made it would result in the restriction in paragraph (1) not being met, the scheme manager may treat the election (or each of the elections) as allocating a smaller amount that would result in the election (or the elections taken together) complying.

Making an allocation election

88.—(1) If requested by a member (P), the scheme manager must advise P of the last day on which P may make an allocation election.

- (2) An allocation election may only be made—
 - (a) by notice to the scheme manager in a form required by the scheme manager; and
 - (b) before the election closing date.
- (3) An allocation election must—
 - (a) specify the amount of retirement pension to be allocated;
 - (b) name the beneficiary;
 - (c) be accompanied by a declaration in a form required by the scheme manager stating that—
 - (i) P is in good health; and
 - (ii) the beneficiary is a person who meets the conditions set out in regulation 86(3); and
 - (d) be accompanied by a certificate from the scheme medical adviser giving the opinion that P is in good health.

(4) Before the election closing date, the member may, by notice to the scheme manager in a form required by the scheme manager—

- (a) revoke the election; or
 - (b) amend the election by altering the amount of retirement pension to be allocated.
- (5) Unless paragraph (6) or (7) applies, the election takes effect on the election closing date.

(6) An allocation election has no effect unless the scheme manager is satisfied that when P made the election the matters stated in the declaration were true.

(7) An allocation election has no effect if P or the beneficiary dies before the election closing date.

- (8) In this regulation, “election closing date” means the earlier of—
 - (a) the date advised by the scheme manager under paragraph (1); or
 - (b) the day before the pension becomes payable.

Effect of allocation election

89.—(1) If an allocation election takes effect—

(1) Paragraph 15(3) was amended by [S.I. 2005/3229](#).

- (a) the member's pension is reduced accordingly (and this reduction applies even if the beneficiary predeceases the member); and
 - (b) if the beneficiary survives the member, on the member's death the beneficiary becomes entitled to the payment of a pension for life ("allocated pension") of an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to—
 - (i) the amount of retirement pension allocated under the election, and
 - (ii) the beneficiary's age and gender.
- (2) The scheme manager may withhold payment from the beneficiary if—
- (a) the member dies before the end of the period of 2 years beginning with the date on which the election takes effect; and
 - (b) the scheme manager is satisfied that the member made a false declaration about the member's state of health when making the election.
- (3) An allocation election in relation to a retirement pension has no effect if it would result in an allocated pension being paid—
- (a) on the member becoming entitled to the retirement pension, to a person who is not—
 - (i) the member's spouse or civil partner;
 - (ii) financially wholly or mainly dependent on P; or
 - (iii) financially interdependent with P;
 - (b) on the death of the member, to a person who is not—
 - (i) the member's surviving adult; or
 - (ii) a dependant of the member for the purposes of paragraph 15(2) or (3) of Schedule 28 (registered pension schemes: authorised pensions – supplementary) to FA 2004.

Adjustment of allocated benefit (members who have reached the age of 75)

- 90.**—(1) The amount of allocated pension payable to the beneficiary of an allocation election may be adjusted in a manner determined by the scheme manager if—
- (a) the member who made the allocation dies after reaching the age of 75; and
 - (b) on the death of the member, the amount of allocated pension payable to the beneficiary does not qualify as a dependants' scheme pension under section 167 (the pension death benefit rules) of FA 2004(2).
- (2) In this regulation, "allocated pension" has the meaning given in regulation 89(1)(b).

(2) Section 167 was amended by the Finance Act 2007 (c. 11) Schedule 20 paragraph 22 and the Finance Act 2011 (c. 11) Schedule 16 paragraph 11. See also Part 2 of Schedule 28 to that Act for the meaning of expressions used in section 167.