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STATUTORY INSTRUMENTS

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**2016 No. 200**

**The Pensions Act 2014 (Abolition of Contracting-out for Salary Related Pension Schemes)  
(Consequential Amendments and Savings) Order 2016**

**PART 2**

Amendments coming into force on 6th April 2016

**Amendment of the Contracting-out (Transfer and Transfer Payment) Regulations 1996**

**4.—(1)** The Contracting-out (Transfer and Transfer Payment) Regulations 1996<sup>(1)</sup> are amended as follows.

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

(a) in the definition of “connected employer transfer” and “connected employer transfer payment”<sup>(2)</sup>—

(i) after sub-paragraph (b)(ii), omit the words from “and, in this definition” to the end of that paragraph; and

(ii) before the words “salary-related contracted-out scheme”, in each case where they occur, insert “scheme that was a”;

(b) in the definition of “overseas scheme”<sup>(3)</sup>—

(i) before “salary-related contracted-out scheme” insert “scheme that was a”; and

(ii) omit the words “nor one in respect of which section 53 of the 1993 Act applies by virtue of section 52(1) of that Act”;

(c) in the definition of “the principal appointed day”, for “7(2B)” substitute “181(1)”;

(d) omit the definition of “salary-related contracted-out scheme”<sup>(4)</sup>; and

(e) for the definition of “section 9(2B) rights”<sup>(5)</sup>, substitute—

““section 9(2B) rights” has the meaning given in regulation 2(1) of the Occupational Pension Schemes (Schemes that were Contracted-out) (No.2) Regulations 2015<sup>(6)</sup>”.

(3) In regulation 3 (transfers of guaranteed minimum pensions to salary-related contracted-out schemes)—

(a) in the heading, before “salary-related” insert “schemes that were”;

(b) in the opening words, before “salary-related” insert “scheme that was a”; and

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(1) [S.I. 1996/1462](#).

(2) These definitions were substituted by [S.I. 2013/459](#).

(3) This definition was substituted by [S.I. 2007/814](#) and amended by [S.I. 2007/3014](#).

(4) A scheme that was a contracted-out scheme is now defined in the 1993 Act. *See* sections 7B and 181(1), inserted by the 2014 Act.

(5) This definition was substituted by [S.I. 1997/786](#) and amended by [S.I. 1999/3198](#) and [S.I. 2011/1246](#).

(6) [S.I. 2015/1677](#) as amended by article 28 of this instrument.

- (c) in paragraph (c), omit the words from the beginning to “the receiving scheme.”
- (4) In regulation 5 (transfer payments in respect of guaranteed minimum pensions to occupational and personal pension schemes)(7), in the opening words, omit “a salary-related contracted-out scheme.”
- (5) In regulation 7(1) (transfers of liability in respect of section 9(2B) rights – general)(8), in sub-paragraphs (a) and (b)—
- (a) after “from a” insert “scheme that was a”; and
  - (b) omit “(or a scheme which was formerly a salary-related contracted-out scheme)”.
- (6) In regulation 8 (transfer payments to salary-related contracted-out schemes in respect of section 9(2B) rights)—
- (a) in the heading, before “salary-related” insert “schemes that were”;
  - (b) in the opening words, for “salary-related contracted-out scheme” substitute “scheme that was a salary-related contracted-out scheme which was contracted-out by virtue of section 9(2B) of the 1993 Act”; and
  - (c) in paragraph (c)(9), for the words from “which is contracted-out” to the end of that paragraph substitute “which was contracted-out in relation to the receiving scheme on or after the principal appointed day.”
- (7) In regulation 10 (transfer payments to occupational and personal pension schemes in respect of section 9(2B) rights)(10), in the opening words, omit “a salary-related contracted-out scheme.”
- (8) In regulation 12 (modifications of Part III of the 1993 Act on transfers of and transfer payments in respect of guaranteed minimum pensions from occupational pension schemes)—
- (a) in the opening words, before “salary-related contracted-out scheme” insert “scheme that was a”;
  - (b) subject to article 5(1), omit paragraph (a); and
  - (c) subject to article 5(1), in paragraph (b), for “any other” substitute “a”.
- (9) In regulation 13 (modifications of Part III of the 1993 Act on transfers from policies of insurance or annuity contracts)—
- (a) in the opening words, before “salary-related contracted-out scheme” insert “scheme that was a”;
  - (b) subject to article 5(2), omit paragraph (a); and
  - (c) subject to article 5(2), in paragraph (b)(11) omit the words from the beginning to “to the receiving scheme.”
- (10) Omit regulation 13A (modification of section 12C of the 1993 Act where transfer payments are made to salary-related contracted-out schemes)(12).
- (11) In Schedule 1 (further conditions for transfers of guaranteed minimum pensions)—
- (a) for the heading to Part I substitute “Further Conditions for Transfer to a Scheme that was a Salary-related Contracted-out Scheme of Accrued Rights to Guaranteed Minimum Pensions”;
  - (b) in paragraph 2, omit sub-paragraph (a) and the “but” immediately following it; and

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(7) Regulation 5 was substituted by [S.I. 2011/1245](#).

(8) Regulation 7(1) was amended by [S.I. 1997/786](#).

(9) Regulation 8(c) was amended by [S.I. 1997/786](#).

(10) Regulation 10 was substituted by [2011/1245](#).

(11) Regulation 13(b) was amended by [S.I. 1997/1786](#).

(12) Regulation 13A was inserted by [S.I. 1997/786](#) and amended by [S.I. 2011/1246](#).

- (c) for the heading to Part II substitute “Further Conditions for Transfer from an Appropriate Policy to a Scheme that was a Salary-related Contracted-out Scheme of Accrued Rights to Guaranteed Minimum Pensions”.
- (12) In Schedule 2 (modifications of Part III of the 1993 Act)—
  - (a) in paragraphs 1 and 6(**13**) in the definition of “guaranteed minimum pension”, for “by an occupational pension scheme” substitute “by a scheme that was a salary-related contracted-out scheme”;
  - (b) in paragraphs 3 and 7, for “is contracted-out” substitute “was contracted-out”;
  - (c) subject to article 5(1), omit paragraph 3; and
  - (d) subject to article 5(2), omit paragraph 7.

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(13) Paragraphs 1 and 6 were substituted by [S.I. 1997/786](#).