

These notes relate to the Scottish Parliamentary Pensions Act 2009 (asp 1) which received Royal Assent on 25 February 2009

SCOTTISH PARLIAMENTARY PENSIONS ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part N Transfers [Chapter 1](#)

Transfers Out

Rule 77: Reduction of transferable sum

315. Rule 77 is a requirement to cover guaranteed minimum pension (GMP) rules (see section 8 of the 1993 Act).¹ Rule 77 provides that accrued rights to a guaranteed minimum pension or accrued rights attributable to service in contracted-out employment can be deducted by Fund trustees from any sums transferred out of the SPPS and retained in the scheme. This power would be used should section 96(2) of the 1993 Act apply to require rights to be retained in the SPPS, broadly where a receiving scheme is not willing or able to accept benefits attributable to a GMP or contracted-out employment.

¹ Between 1978 and 2002 part of an earner's National Insurance Contributions (NICs) went toward State Earnings Relation Pension Scheme (SERPS) unless they were a member of a contracted-out occupational pension scheme. Between April 1978 and April 1997 members of contracted-out pension schemes were guaranteed not to have a smaller pension than they would have received under SERPS.