



2008 CHAPTER 13

PART 3

PENSION COMPENSATION

CHAPTER 1

PENSION COMPENSATION ON DIVORCE ETC.

Discharge of liability

94.—(1) This section applies where the Board is subject to a liability in respect of a pension compensation credit.

(2) The Board must discharge the liability by sending a notice to the transferee.

(3) On the sending of the notice the transferee becomes entitled, with effect from (and including) the transfer day, to compensation calculated in accordance with Schedule 4.

(4) For the purposes of that calculation, the initial annual rate of compensation is an amount determined by the Board.

(5) The Board must determine that amount in such a way as to secure that the cash equivalent value of the compensation to which the transferee becomes entitled under subsection (3) equals the amount of the credit.

(6) The Department may by regulations make provision about the calculation of cash equivalents for the purposes of subsection (5).

(7) The notice sent under this section must—

- (a) state that the transferee is entitled to periodic pension compensation calculated under Schedule 4, and

(b) specify the amount determined under subsection (4).

(8) Where the transferee dies before liability in respect of the credit has been discharged—

- (a) subsections (2) to (7) do not have effect in relation to the discharge of liability in respect of the credit, and
- (b) liability in respect of the credit must be discharged in accordance with regulations made by the Department.