

---

STATUTORY INSTRUMENTS

---

**2000 No. 1054**

**The Pension Sharing (Pension Credit Benefit) Regulations 2000**

**PART I**  
**GENERAL**

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Pension Sharing (Pension Credit Benefit) Regulations 2000 and shall come into force on 1st December 2000.

(2) In these Regulations—

“the 1993 Act” means the Pension Schemes Act 1993;

“the 1995 Act” means the Pensions Act 1995;

“the 1999 Act” means the Welfare Reform and Pensions Act 1999;

“the Taxes Act” means the Income and Corporation Taxes Act 1988<sup>(1)</sup>;

“active member”, in relation to an occupational pension scheme, means a person who is in pensionable service under the scheme;

“appropriate scheme” shall be construed in accordance with section 9(5) of the 1993 Act;

“base rate” means the base rate for the time being quoted by the reference banks or, where there is for the time being more than one such base rate, the base rate which, when the base rate quoted by each bank is ranked in a descending sequence of seven, is fourth in the sequence;

“contracted-out rights” has the meaning given by section 68A(5) of the 1993 Act<sup>(2)</sup>;

“eligible member” has the meaning given by section 101P(1) of the 1993 Act<sup>(3)</sup>;

“employer” has the meaning given by section 181(1) of the 1993 Act;

“incapacity” means physical or mental deterioration which is sufficiently serious to prevent a person from following his normal employment or which seriously impairs his earning capacity;

“the Inland Revenue” means the Commissioners of Inland Revenue;

“member” means a member of an occupational pension scheme or a personal pension scheme and includes an eligible member;

“money purchase benefits” has the meaning given by section 181(1) of the 1993 Act<sup>(4)</sup>

“money purchase contracted-out scheme” has the meaning given by section 8(1)(a)(ii) of the 1993 Act;

“money purchase scheme” has the meaning given by section 181(1) of the 1993 Act;

---

(1) 1988 c. 1.

(2) Section 68A is inserted by section 36 of the Welfare Reform and Pensions Act 1999.

(3) Section 101P is inserted by section 37 of the Welfare Reform and Pensions Act 1999.

(4) Section 181 was amended by the 1995 Act, the Industrial Tribunals Act 1996 (c. 17) and is amended by the Welfare Reform and Pensions Act 1999.

- “normal benefit age” has the meaning given by section 101B of the 1993 Act<sup>(5)</sup>;
- “occupational pension scheme” has the meaning given by section 1 of the 1993 Act;
- “overseas arrangement” has the meaning given by regulation 1(2) of the Contracting-out (Transfer and Transfer Payment) Regulations 1996<sup>(6)</sup>;
- “overseas scheme” has the meaning given by regulation 1(2) of the Contracting-out (Transfer and Transfer Payment) Regulations 1996<sup>(7)</sup>;
- “pension credit benefit” has the meaning given by—
- (a) section 101B of the 1993 Act insofar as that expression is used in Part II of these Regulations; and
  - (b) section 101P of the 1993 Act insofar as that expression is used in Part III of these Regulations;
- “pension credit rights” has the meaning given by—
- (a) section 101B of the 1993 Act insofar as that expression is used in Part II of these Regulations; and
  - (b) section 101P of the 1993 Act insofar as that expression is used in Part III of these Regulations;
- “pensionable service” has the meaning given by section 124(1) of the Pensions Act 1995<sup>(8)</sup>;
- “personal pension scheme” has the meaning given by section 1 of the 1993 Act<sup>(9)</sup>;
- “principal appointed day” has the meaning given by section 7(2B) of the 1993 Act<sup>(10)</sup>;
- “qualifying occupational pension scheme” has the meaning given by section 40(3) of the 1999 Act;
- “qualifying scheme” has the meaning given by section 101P(1) of the 1993 Act;
- “the reference banks” means the seven largest institutions for the time being which—
- (a) are authorised by the Bank of England under the Banking Act 1987<sup>(11)</sup>;
  - (b) are incorporated in and carrying on within the United Kingdom a deposit-taking business (as defined in section 6, but subject to any order under section 7 of that Act<sup>(12)</sup>); and
  - (c) quote a base rate in sterling;
- and for the purpose of this definition the size of an institution at any time is to be determined by reference to the gross assets denominated in sterling of that institution, together with any subsidiary (as defined in section 736 of the Companies Act 1985<sup>(13)</sup>), as shown in the audited end of year accounts last published before that time;
- “Regulatory Authority” means the Occupational Pensions Regulatory Authority;
- “relevant pension” means a pension to which section 40(2) of the 1999 Act applies;
- “safeguarded rights” has the meaning given by section 68A of the 1993 Act<sup>(14)</sup>;

---

(5) Section 101B is inserted by section 37 of the Welfare Reform and Pensions Act 1999.

(6) S.I.1996/1462 as amended by S.I. 1997/786.

(7) The definition of “overseas scheme” was amended by S.I. 1997/786.

(8) Section 124 is amended by paragraph 61 of Schedule 12 to the Welfare Reform and Pensions Act 1999.

(9) The definition of “personal pension scheme” is amended by paragraph 3(1)(a) of Schedule 2 to the Welfare Reform and Pensions Act 1999.

(10) Section 7(2B) was inserted by section 136(1) of the Pensions Act 1995.

(11) 1987 c. 22.

(12) Section 7 was amended by section 23(1) of, and paragraphs 1 and 4 of Schedule 5 to, the Bank of England Act 1998

(13) 1985 c. 6. Section 736 was substituted by section 144(1) of the Companies Act 1989 (c. 40).

(14) Section 68A is inserted by section 36 of the Welfare Reform and Pensions Act 1999.

“salary related contracted-out scheme” has the meaning given by section 8(1)(a)(i) of the 1993 Act<sup>(15)</sup>

“scheme” has the meaning given by section 101B of the 1993 Act<sup>(16)</sup>;

“statement of entitlement” means the statement of the amount of the cash equivalent of an eligible member’s pension credit benefit under a qualifying scheme referred to in section 101H(1) of the 1993 Act;

“transfer credits” means rights allowed to a person under the rules of an occupational or personal pension scheme by reference to a transfer to that scheme of his accrued rights from another scheme (including any transfer credits allowed by that scheme);

“transfer notice” has the meaning given by section 101F(7) of the 1993 Act;

“trustees or managers” has the meaning given by section 46(1) of the 1999 Act;

“valuation date” has the meaning given by section 101J(7) of the 1993 Act.

### **Salary related schemes**

**2.** For the purposes of Chapter II of Part IVA of the 1993 Act<sup>(17)</sup> (requirements relating to pension credit benefit—transfer values) and these Regulations, an occupational pension scheme is salary related if it is not a money purchase scheme and it is not a scheme—

- (a) the only benefit provided by which (other than money purchase benefits) are death benefits; and
- (b) under the provisions of which no member has accrued rights (other than rights to money purchase benefits).

---

<sup>(15)</sup> Section 8(1)(a)(i) was substituted by section 136(2) of the Pensions Act 1995.

<sup>(16)</sup> Section 101B is inserted by section 37 of the Welfare Reform and Pensions Act 1999.

<sup>(17)</sup> Part IVA is inserted by section 37 of the Welfare Reform and Pensions Act 1999.