
STATUTORY INSTRUMENTS

2000 No. 1054

The Pension Sharing (Pension Credit Benefit) Regulations 2000

PART II

PENSION CREDIT BENEFIT UNDER OCCUPATIONAL PENSION SCHEMES

Further conditions on which liability may be discharged

15.—(1) Subsection (1)(b) of section 101E of the 1993 Act (transactions with the consent of the person entitled to the benefit which discharge liability where pension credit or alternative benefits secured by insurance policies or annuity contracts) shall not apply in the circumstances described in paragraph (2), (3), (4) or (5).

(2) The circumstances described in this paragraph are that—

- (a) the person entitled to the benefit is dead and the benefit is payable to a person other than his widow or widower; and
- (b) the arrangement for securing the pension credit benefit or its alternative was made at the request of the person entitled to it.

(3) The circumstances described in this paragraph are that the benefit is provided as an alternative to pension credit benefit by virtue of regulation 8(4) (bought out benefits without consent).

(4) The circumstances described in this paragraph are that—

- (a) the scheme is being wound up;
- (b) sections 73 and 74 of the 1995 Act⁽¹⁾ (preferential liabilities on winding up, and discharge of liabilities by insurance, etc.) and the Occupational Pension Schemes (Winding Up) Regulations 1996⁽²⁾ do not apply;
- (c) the person entitled to the benefit is able to assign or surrender the insurance policy or the annuity contract; and
- (d) the condition set out in section 101E(1)(a) of the 1993 Act is satisfied.

(5) The circumstances described in this paragraph are that—

- (a) the trustees or managers of the scheme consider that, in the circumstances, it is reasonable for the scheme to provide the alternative without the consent of the person entitled to the benefit;
- (b) the trustees or managers of the scheme give the person entitled to the benefit at least 30 days' written notice of their intention to take out the insurance policy or enter into the annuity contract, unless the person entitled to the benefit exercises a right to give a transfer notice under section 101F of the 1993 Act (power to give transfer notice) (the first

(1) Section 73 was modified by regulation 3 of S.I.1996/3126, as amended by S.I. 1999/3198. Section 73 is amended by section 38(1) of, and paragraph 55 of Schedule 12 to, the Welfare Reform and Pensions Act 1999. Section 74 is amended by paragraph 56 of Schedule 12 to that Act.

(2) S.I. 1996/3126, amended by S.I. 1997/786, and S.I. 1999/3198.

mentioned notice being sent to that person at his last known address or delivered to that person personally); and

- (c) when the trustees or managers of the scheme agree with the insurance company to take out the insurance policy or enter into the annuity contract, there is no outstanding transfer notice given by the person entitled to the benefit under section 101F of the 1993 Act.
- (6) The payment made to the insurance company in the circumstances described in paragraph (5) must be at least an amount equal to the value of the pension credit benefit which has accrued to the person entitled to the benefit at the date the payment is made.