
STATUTORY INSTRUMENTS

2000 No. 1054

The Pension Sharing (Pension Credit Benefit) Regulations 2000

PART III

TRANSFER VALUES

Manner of calculation and verification of cash equivalents

24.—(1) Except in a case to which, or to the extent to which, paragraph (2) or (5) applies, cash equivalents are to be calculated and verified in such manner as may be approved in particular cases by the scheme actuary or, in relation to a scheme to which section 47(1)(b) of the 1995 Act does not apply, by—

- (a) a Fellow of the Institute of Actuaries;
- (b) a Fellow of the Faculty of Actuaries; or
- (c) a person with other actuarial qualifications who is approved by the Secretary of State, at the request of the trustees or managers of the scheme in question, as being a proper person to act for the purposes of these Regulations in connection with that scheme,

and, subject to paragraph (2), in this regulation, “actuary” means the scheme actuary or, in relation to a scheme to which section 47(1)(b) of the 1995 Act does not apply, the actuary referred to in subparagraph (a), (b) or (c) of this paragraph.

(2) Where the eligible member in respect of whom a cash equivalent is to be calculated and verified is an eligible member of an occupational pension scheme having particulars from time to time set out in regulations made under section 7 of the Superannuation Act 1972⁽¹⁾ (superannuation of persons employed in local government service, etc.), that cash equivalent shall be calculated and verified in such manner as may be approved by the Government Actuary or by an actuary authorised by the Government Actuary to act on his behalf for that purpose and in such a case “actuary” in this regulation means the Government Actuary or the actuary so authorised.

(3) Except in a case to which paragraph (5) applies, cash equivalents are to be calculated and verified by adopting methods and making assumptions which—

- (a) if not determined by the trustees or managers of the scheme in question, are notified to them by the actuary; and
- (b) are certified by the actuary to the trustees or managers of the scheme—
 - (i) as being consistent with the requirements of Chapter II of Part IVA of the 1993 Act;
 - (ii) as being consistent with “Retirement Benefit Schemes—Transfer Values (GN11)” published by the Institute of Actuaries and the Faculty of Actuaries⁽²⁾ and current on the valuation date;

(1) 1972 c. 11.

(2) The publication “Retirement Benefit Schemes—Transfer Values (GN11)” may be obtained from the Institute of Actuaries, Staple Inn Hall, High Holborn, London WC1V 7QJ and from the Faculty of Actuaries, Maclaurin House, 18 Dublin Street, Edinburgh EH1 3PP. The publication is also available on the following internet web-site: <http://www.actuaries.org.uk>.

- (iii) as being consistent with the methods adopted and assumptions made, on the valuation date, in calculating the benefits to which entitlement arises under the rules of the scheme in question for a person who is acquiring transfer credits including transfer credits in respect of pension credit rights under those rules; and
- (iv) in the case of a scheme to which section 56 of the 1995 Act (minimum funding requirement) applies, as providing as a minimum an amount consistent with the methods and assumptions adopted in calculating, for the purposes of section 57 of that Act (valuation and certification of assets and liabilities), the liabilities mentioned in paragraphs (a), (c)(i) and (d) of section 73(3) of that Act, subject, in any case where the cash equivalent calculation is made on an individual and not a collective basis, to any adjustments which are appropriate to take account of that fact.

(4) If, by virtue of Schedule 5 of the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996(3) (modifications), section 56 of the 1995 Act applies to a section of a scheme as if that section were a separate scheme, paragraph (3)(b)(iv) shall apply as if that section were a separate scheme and as if the reference therein to a scheme were accordingly a reference to that section.

(5) Where a cash equivalent or any portion of a cash equivalent relates to money purchase benefits which do not fall to be valued in a manner which involves making estimates of the value of benefits, then that cash equivalent or that portion shall be calculated and verified in such manner as may be approved in a particular case by the trustees or managers of the scheme and in accordance with methods consistent with the requirements of Chapter II of Part IVA of the 1993 Act.