



Circular

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Status:	For Action
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Title:	Public Sector Transfer Club – Amendments to Club Memorandum to clarify treatment of Club transfers for members who are not entitled to a preserved pension.
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Issued by:	Natalie Spiller Fire Services Branch
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Addressed to:	Please forward to:
Chief Fire Officers	Pensions Officers Pension Scheme Administrators

Summary
This circular clarifies the treatment of club transfers for members who are not entitled to a preserved pension. Following advice from GAD, Cabinet Office intend to make the following revisions to the Club Memorandum. FRAs should follow the proposed revisions in any future Club transfers.

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1. FRAs and Scheme Administrators will already be aware that the Cabinet Office issued a revised Club Transfers Memorandum following a change to the SCAPE discount rate confirmed in the Budget on 29 October (as set out in [W-FRSC\(2019\)-10](#) issued on 29 March 2019).
2. The Cabinet Office has now issued further amendments to the Club Transfers Memorandum, in order to clarify the treatment of members who are not entitled to a preserved pension.
3. The following amendments will be made to the Memorandum in due course. However, in the meantime Club members should adopt the proposed revisions in any future club transfers.

Amendments to Club Memorandum

4. The text of the proposed revisions show track changes using the following format:-
 - New text in red.
 - Deleted text strikethrough.
 - Moved text in green.

Para 4.5 The relevant date for calculating a Club cash equivalent transfer value after ~~6 April 1997~~ is the 'Guarantee Date'. **In practice it will normally be the date when the transfer value is calculated.** **If the member is entitled to a cash equivalent transfer value the Guarantee Date is** as defined in The Occupational Pensions Schemes (Transfer Values) Regulations 1996. **This and therefore** must be within the 3 month period (or exceptionally 6 month) beginning with the date of the member's application for a statement of entitlement. **The Guarantee Date may be the date of leaving if a member is entitled to a Cash Transfer Sum under section 101AA of the Pension Schemes Act 1993 although the time limit in paragraph 4.22 would still apply so this option is not available if the calculation date is more than six months after the member left.**

Para 4.22a Some Club schemes allow members to take a transfer out even, in certain circumstances, if they have not qualified for a preserved pension in that scheme. Where this is the case, the Club rules apply as normal. **If the Guarantee Date is after the date of leaving, revaluations should be calculated as if the member was entitled to receive revaluations despite not being entitled to a preserved pension.**

Para 4.23 Employees who do not have preservable benefits are commonly given a refund of contributions. Some schemes may allow the individual to change his/her mind and to take a Club transfer payment instead. The sending scheme should make arrangements to recover the refund. The Club transfer value should then be calculated in the usual way. ~~From 6 April 2006, the provisions of The Occupational Pension Schemes (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006 will apply.~~

5. For the avoidance of doubt the deletion in paragraph 4.23 is not intended to imply that The Occupational Pension Scheme (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006 no longer applies.

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