

To All Members

December 2005

Dear Member

GN11: Retirement Benefit Schemes – Transfer Values

Introduction

Legislation allows members of occupational pension schemes to obtain a transfer payment (a 'cash equivalent' payment) from their existing scheme to transfer either to another scheme or to a personal pension. This Guidance Note describes the calculation of these payments. The Guidance Note also applies to the calculation of pension values for divorce proceedings and to the disclosure of directors' pensions in company accounts.

The Guidance Note has been revised to take account of the removal of the MFR underpin as a direct consequence of the Government's decision to remove the underpin. For clarity, this amendment to GN11 is unconnected with the major amendments to GN11 that were proposed as EXD54 and which remain under consideration.

Detail

Version 9.2 *GN11: Retirement Benefit Schemes – Transfer Values*, is being issued as a technical amendment to version 9.1. It comes into effect on 30.12.2005.

The changes made to version 9.1 are the removal of references to the MFR underpin, in particular Section 4. The opportunity has also been taken to correct some errors on cross references in 5.2 and 5.2.6 (now 4.2 and 4.2.6). Finally, some references to legislation and the Inland Revenue have been updated.

Members are reminded that guidance must be read in conjunction with the relevant legislation.

Supplements to the Manual of Actuarial Practice are only sent to those members who have requested them in writing. If therefore you have requested a hard copy of Guidance Notes, the revised version 9.2 of GN11 will be attached to this letter as an A4 document.

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GN11 Version 9.2 can be found on the profession's website from its effective date at:
<http://www.actuaries.org.uk/files/pdf/map/Contents.pdf>

Before then, it can be found at:
http://www.actuaries.org.uk/Display_Page.cgi?url=/pensions/pensions_gns.xml

A copy of version 9.2 of GN11 that tracks the changes which have been made since Version 9.1 can be found at: http://www.actuaries.org.uk/Display_Page.cgi?url=/pensions/pensions_gns_track.xml

Yours sincerely

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