

**March 2001**

To All Members

Dear Member

**GN 11: Retirement Benefit Scheme – Transfer Values**

Version 8.0 of GN11 was approved under Fast Track Due Process and came into effect on 1 December 2000. The purpose of the amendments was to include provisions relating to pension sharing on divorce, remove unnecessary examples and passages which merely describe the legislation, and clarify the existing guidance where appropriate. Following consultation, Version 8.1 has been produced. It comes into effect on 6 April 2001.

Supplements to the Manual of Actuarial Practice are now only being sent to those members who previously requested in writing that this source be continued. If therefore you have requested a posted copy of Guidance Notes, the revised GN11 will be attached to this letter as an A4 document. Otherwise it can be found, from its effective date, at:

<http://www.actuaries.org.uk/map/Contents.pdf>

Before then, it can be found at:

[http://www.actuaries.org.uk/map/map\\_index.html](http://www.actuaries.org.uk/map/map_index.html)

A copy of GN11 that tracks the changes which have been made since the previous version of GN11 can be found at:

[http://www.actuaries.org.uk/pensions/pensions\\_gns\\_track.html](http://www.actuaries.org.uk/pensions/pensions_gns_track.html)

The main changes from Version 8.0 are:

- Small changes to the Applications section and deletion of confusing example in paragraph 7.2 to clarify that GN11 covers cash equivalents of pensions in payment from money purchase schemes.
- As legislation does not compel the disclosure of the component parts of the transfer value, 'must' has reverted to 'should'. This paragraph has also been revised to distinguish correctly between 'protected rights' and the balance of a transfer payment from a personal pension.

- Clarification in paragraph 4.2 where a pension in payment is provided by way of an annuity policy.
- Paragraph 4.8 has been redrafted to accommodate a monthly rate of return and to refer to the effective date of calculation.
- The certificate shown in Appendix A has been expanded to cover the certification in relation to benefits granted for pension credits.

The GN has also been amended to take account of new regulations from the Inland Revenue, which will supersede the regulations in Appendix 3 and obviate the need for paragraph 7.3, both with effect from 6 April 2001.

Yours sincerely,

Peter Tompkins  
Chairman, Pensions Board