

Civil Service Additional Voluntary Contribution Scheme

The Civil Service Additional Voluntary Contribution Scheme was made on 21 December 1988 under section 1 of the Superannuation Act 1972 and came into force on 1 January 1989.

The following amendments have subsequently been laid.

Civil Service Additional Voluntary Contribution Scheme (Amendment) Scheme	Laid before Parliament
1996	18 January 1996
2000	29 June 2000
2001	19 July 2001
2002	22 July 2002
2004	22 July 2004
2005	11 November 2005
2006	28 March 2006
2006 (No 2)	25 July 2006
2006 (No 3)	December 2006
2008	11 September 2008
2015	1 April 2015
2018	31 October 2018

The Declaration of the Civil Service AVC scheme

The Treasury, in exercise of the powers conferred by Section 1 of the Superannuation Act 1972⁽¹⁾ and now vested in them⁽²⁾, hereby make the following scheme:

Declaration of scheme

- 1 This scheme may be cited as the Civil Service Additional Voluntary Contribution Scheme.
- 2 This scheme shall come into force on 1 January 1989 and shall have effect from that date.
- 3 The sole purpose of this scheme is to make payments that a scheme registered under Chapter 2 of Part 4 of the Finance Act 2004 is authorised to make under Chapter 3 of that Part to and in respect of persons who are eligible to participate in the scheme and are admitted to membership of it.

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- 4 This scheme shall be administered in accordance with the provisions set out hereinafter and the rules set forth in the schedule hereto.
- 5 The provisions and rules of this scheme are drawn, and shall continue to be drawn, in such a way to enable the scheme to be registered under Chapter 2 of Part 4 of the Finance Act 2004.
- 6 (a) By virtue of section 2(9) of the Superannuation Act 1972, a scheme made under section 1 of that Act may amend or revoke this scheme.
 - (b) (i) Before making a scheme amending or revoking this scheme, the Minister shall consult with persons appearing to the Minister to represent persons likely to be affected by the proposed scheme.
 - (ii) No such scheme shall make any provision which would have the effect of reducing the amount of any benefits accrued before the coming into operation of the scheme unless the persons consulted in accordance with subparagraph (b)(i) have agreed to the inclusion of that provision.
 - (c) No provision shall be made in an amending scheme which could result in payments being made by the scheme that exceed the de-regulation threshold for the purposes of section 158(1)(a) of the Finance Act 2004
- 7 The Cabinet Office is appointed to be responsible for the discharge of all duties relating to the Scheme which are imposed on the administrator under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988.
- 8 The money necessary for the purposes of this scheme shall be furnished:
 - (a) by contributions to be made by members;
 - (b) by contributions to be made by the employers of members;
 - (c) by the Minister.
- 9 (a) Each member's contributions shall be invested in such investments as the Minister may from time to time determine, save that such contributions may not be used for the purpose of making any loan whatsoever.

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- (b) Without prejudice to the generality of (a), the Minister, in accordance with a member's instructions, may invest the member's contributions;
 - (i) in an investment policy or policies taken out with such of the authorised providers, being authorised providers that the Minister may from time to time determine, as the member specifies in writing (including by such electronic means as the Minister may from time to time determine);
 - (ii) in a deposit account or accounts with a building society authorised by virtue of Part II of the Building Societies Act 1986(c) or such other legislation of the United Kingdom as may be in force in respect of the authorisation of a building society to accept deposits from the administrator of an approved retirement benefits scheme.
 - (c) Money furnished for the purposes of this scheme by (i) contributions made by employers of members, or (ii) the Minister, may be invested in accordance with sub-paragraphs (a) and (b), or used for the purpose of meeting the expenses of establishing and administering the scheme.
- 10
- (a) The Minister may make payments under this scheme in accordance with the provisions of this scheme and Chapter 3 of Part 4 of the Finance Act 2004.
 - (b) The Minister may apply the value of the sums and assets held by the scheme in accordance with the member's instructions and the provisions of this scheme and Chapter 3 of Part 4 of the Finance Act 2004.
 - (c) The ways the Minister may apply the sums and assets held by this scheme include but are not limited to—
 - (i) the payment of the value of the sums and assets in whole or in part as a lump sum; and
 - (ii) the purchase of benefits from such authorised providers as the member may specify in writing (including by such electronic means as the Minister may from time to time determine).
 - (d) Where a member instructs the Minister to apply the sums and assets held by this scheme under sub-paragraph (b), that has the effect of discharging any liability of the Minister to pay benefits in respect of those sums and assets to or in respect of the member.

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- 11 (a) Transfer values may be paid and accepted under this scheme in accordance with the rules set forth in the scheme hereto.
- 11 (b) Without prejudice to the effect of section 99 of the Pension Schemes Act 1993, where a transfer value is paid under this scheme the Minister will be discharged from any obligation to provide any benefits to which the transfer value relates.
- 12 The Minister may determine any question arising under this scheme and his determination on any such question shall be final.
- 13 Any sums received by the Minister by virtue of this scheme shall be paid into a suspense account or accounts used for the purpose of this scheme.

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1 Definitions

In this Scheme:

‘1972 Section’ means Section II of the PCSPS;

‘2002 Section’ means Section 1 of the PCSPS;

‘2007 Section’ means Section III of the PCSPS;

‘the 2014 Regulations’ means the Public Service (Civil Servants and Others) Pensions Regulations 2014;

‘the 2015 Scheme’ means the scheme established by regulation 3 of the 2014 Regulations;

‘Authorised provider’ has the same meaning as “authorised provider” in section 1(9) of the Superannuation Act 1972;

‘Dependant’ means:

- (i) in the case of a Member who belongs to the 1972 Section, the Member’s spouse or civil partner, an eligible child as defined in the 1972 Section and any other individual who is (or was at the date of the member’s death) financially dependent on the Member;
- (ii) in the case of a Member who belongs to the 2002 Section, a surviving spouse or surviving civil partner or, where there is no surviving spouse or surviving civil partner, a surviving adult dependant as defined in rule E.2 of the 2002 Section, an eligible child as defined in rule E.9 of the 2002 Section and any other individual who is (or was at the date of the Member’s death) financially dependent on the member;
- (iii) in the case of a Member who belongs to the 2007 Section, a surviving spouse or surviving civil partner or, where there is no surviving spouse or surviving civil partner, a surviving adult dependant as defined in rule F.2 of the 2007 Section, an eligible child as defined in rule F.8 of the 2007 Section and any other individual who is (or was at the date of the Member’s death) financially dependent on the Member; and
- (iv) in the case of a Member who belongs to the 2015 Scheme, a surviving spouse or surviving civil partner or, where there is no surviving spouse or surviving civil partner, a surviving nominated partner of the deceased

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Member within the meaning of regulation 101 of the 2014 Regulations, an eligible child as defined in regulation 113 of the 2014 Regulations and any other individual who is (or was at the date of the Member's death) financially dependent on the Member;

'Employer' means the employer in respect of service with whom a Member is accruing benefits under the PCSPS or the 2015 Scheme;

'Employment' includes an office or appointment and related expressions are to be read accordingly;

'Ex-spouse or Ex-civil partner' means a person entitled to a Pension Credit giving rise to a liability upon the Minister in respect of this Scheme within the meaning of section 29(1)(b) of the Welfare Act 1999;

'Final Remuneration' means the greater of:

- (1) the highest remuneration for any one of the 5 years preceding the retirement date, or date of leaving Service if earlier, being the aggregate of:
 - (a) the basic pay (which means total taxable earnings less fluctuating emoluments such as commission, overtime, bonuses) for the year in question; and
 - (b) the average over at least 3 years, ending with the expiry of the year for which the basic pay is taken, of any fluctuating emoluments (or, if fluctuating emoluments have not been payable over a period of at least 3 years, the average over the period during which they have been payable); and
- (2) the average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before the retirement date, or the date of leaving Service if earlier;

provided that any year's earnings, other than the 12 months ending with the retirement date or date of leaving Service if earlier, used in the calculation may first be increased in proportion to the increase in the Index from the end of the year in question up to the retirement date or date of leaving Service if earlier;

'Implementation period' means the four month period specified in section 34(1) of the Welfare Act 1999 subject to any

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regulations made by the Secretary of State under section 34(4) or section 41(2)(a) of that Act or any extension granted by the Pensions Regulator in accordance with section 33(4) of that Act;

‘Index’ at any time, means the index of retail prices published by the Department of Employment, or any successor agreed as appropriate by the Board of Inland Revenue, for the calendar month 3 months prior to that time;

‘Member’ means a person admitted to participation in the Scheme in accordance with the Rules;

‘Normal retirement Date’ means:

- (i) in the case of a Member who belongs to the 1972 Section, the date on which he reaches pension age as defined in rule 1.11 of the 1972 Section;
- (ii) in the case of a Member who belongs to the 2002 Section, the date on which he reaches pension age as defined in rule A.1(4) of the 2002 Section;
- (iii) in the case of a Member who belongs to the 2007 Section, the date on which he reaches pension age as defined in rule A.1(4) of the 2007 Section; and
- (iv) in the case of Member who belongs to the 2015 Scheme, the date on which the Member reaches normal pension age in relation to the 2015 Scheme, as defined in regulation 2 of the 2014 Regulations;

‘PCSPS’ means Principal Civil Service Pension Scheme⁽¹⁾;

‘PCSPS Fair Deal Employment’ means Employment which is specified in a list produced for the purposes of section 1(4A) of the Superannuation Act 1972;

‘Pension Credit’ means a credit under section 29(1)(b) of the Welfare Act 1999;

‘Pension Debit’ means a debit under section 29(1)(a) of the Welfare Act 1999;

‘Pension Debit Member’ means a person whose benefits or future benefits under this Scheme have been reduced in accordance with section 31 of the Welfare Act 1999;

¹ made under section 1 of the Superannuation Act 1972 (c. 11)

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‘Pension Sharing Order’ means any provision or order specified in section 28 of the Welfare Act 1999 giving rise to a liability upon the Minister in respect of this Scheme in respect of a Pension Credit;

‘Pensionable Service’ means, subject to Rule 2A, pensionable service within the meaning of rule 1.4 of the 1972 Section, active membership period within the meaning of rule A.7 of the 2002 Section, active membership period within the meaning of rule A.12 of the 2007 Section or the aggregate of the periods during which the Member has been an active member of the 2015 Scheme, as the case may be;

“Personal Pension Scheme” means a Registered Scheme that is a “personal pension scheme” as defined in section 1 of the Pension Schemes Act 1993.

‘Qualifying Arrangement’ means an arrangement specified in paragraph 6 of Schedule 5 to the Welfare Act 1999 which is not disqualified by virtue of paragraph 7 of that Schedule;

“Registered Scheme” means a pension scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004.

‘Scheme Assets’, in relation to a Member, means the total realisable value of the investments made by the Minister with—

- (a) the contributions paid to this Scheme by the Member;
- (b) any contributions or payments made to this Scheme in relation to the Member by the Member’s Employer or the Minister; and
- (c) any transfer value accepted in relation to the Member under Rule 3.6;

after deducting any fees or charges of an authorised provider in relation to those investments and any reduction applied in accordance with section 31 of the Welfare Act 1999;

‘Scheme Employment’ means —

- (i) permanent or fixed term Employment as a civil servant;
- (ii) permanent or fixed term service in an Employment that is listed in Schedule 1 to the Superannuation Act 1972;
- (iii) permanent or fixed term service in a PCSPS Fair Deal Employment held by a person who fulfils the conditions

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for eligibility for membership of the PCSPS which apply to a person in service in such an Employment and is or

is eligible to be a member of that scheme by virtue of that Employment;

- (iv) permanent or fixed term service in an Employment held by a person (P) mentioned in regulation 3(2)(a) to (e) of the 2014 Regulations and to whom the 2015 Scheme relates by virtue of a determination under section 25(5) of the Public Service Pensions Act 2013, where the 2015 Scheme relates to P by virtue of service in that Employment;
- (v) permanent or fixed term Employment held by a Fair Deal eligible person within the meaning of regulation 16 of the 2014 Regulations, where the 2015 Scheme relates to that person by virtue of that Employment;

but a person engaged under a contract for services or engaged locally overseas is not in Scheme Employment;

‘Service’ means a person’s service in a Scheme Employment but does not include service in a Scheme Employment to which paragraph (a) or (b) applies.

- (a) This paragraph applies if the person’s terms of service exclude the person from being a member of the PCSPS or the 2015 Scheme.
- (b) This paragraph applies if in relation to the person’s service in a Scheme Employment the person —
 - (i) has a partnership pension account, as defined in regulation 2 of the 2014 Regulations; or
 - (ii) is a member of a pension scheme other than the PCSPS or the 2015 Scheme and the person’s employer pays contributions to that other scheme in respect of the person;

‘the Scheme’ means The Civil Service Additional Voluntary Contribution Scheme;

‘the Welfare Act 1999’ means the Welfare Reform and Pensions Act 1999 (1999 c.30) or corresponding Northern Ireland legislation and references to legislation under that Act also refer to corresponding Northern Ireland legislation; words in the singular shall include the plural and vice versa; and

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without prejudice to the definitions set forth above, the interpretation and application of such definitions and of any other expressions in this Scheme shall be consistent with the Scheme's being registered under Chapter 2 of Part 4 of the Finance Act 2004.

2 Membership and closing the Scheme to new members

- (a) Subject to Rule 2(b) below, any individual who is in Pensionable Service may become a Member of the Scheme by making written application in such form as the Minister shall require and by having such application accepted.
- (b) The Minister may with effect from such date as he may determine close the Scheme to individuals in Pensionable Service who are not Members of the Scheme at that date.

2A Pensionable Service in this Scheme after 31st December 2018

- (1) After 31st December 2018 no person is in, or is eligible to be in, Pensionable Service in this Scheme unless the person is a continuing member.
- (2) A person who ceases to be a Member or a continuing member ceases to be, or to be eligible to be, in Pensionable Service in this Scheme.
- (3) In this Rule, “continuing member” means a person —
 - (i) who holds protected life cover arrangements with Equitable Life or where that Member’s Scheme Assets are applied in whole or in part to the Equitable Life with profits fund;
 - (ii) whose Scheme Assets are applied in whole or in part to a Scottish Widows or Standard Life with profits fund; or
 - (iii) who was a Member of this Scheme on 31st August 2018 and who notified the Minister before 31st December 2018 that they wish to continue as a Member of this Scheme.”.
 - (a) Subject to Rule 2(b) below, any individual who is in Pensionable Service may become a Member of the Scheme by making written application in such form as the Minister shall require and by having such application accepted.
 - (b) The Minister may with effect from such date as he may determine close the Scheme to individuals in Pensionable Service who are not Members of the Scheme at that date.

3 Contributions

3.1 Payment of contributions and switching

Subject to paragraph 9 of the Declaration of this Scheme and Rule 3.2:

- (a) A Member may make contributions to the Scheme of such amount, at such times and in such manner as may be specified by the Minister, with the approval of the institution with which the contributions are to be invested.
- (b) The Minister shall, as soon as practicable, invest the contributions, with the institution and in the manner chosen by the Member, in order to apply the Member's Scheme Assets in accordance with Rule 4.1.
- (c) The investments made in respect of a Member with an institution may be realised and reinvested at the request of the Member with that or any other institution determined by the Minister, in such amounts, at such times and in such manner as may be specified by the Minister, with the approval of the institutions concerned.
- (d) Any contributions or payments made by a Member's Employer or the Minister to the Scheme for the benefit of a Member, other than those used for the purpose of establishing the Scheme or meeting administrative expenses, shall be invested by the Minister in accordance with Rule 3.1(b) and may be realised and reinvested at the request of the Member in accordance with Rule 3.1(c).

3.2 Contributions after 31st August 2018

(1) After 31st August 2018 no person who is not a reserved member may make contributions to the Scheme.

(2) In this Rule, "reserved member" means a person who holds protected life cover arrangements with Equitable Life or where that Member's Scheme Assets have been applied in whole or in part to the Equitable Life with profits fund.

3.3 Temporary absence

During a period of temporary absence from employment or secondment, without in either case becoming a Member of another Retirement Benefits Scheme, a Member's contributions to the Scheme may continue in such circumstances as the Minister may determine from time to time, but only if the Member remains in full membership of the PCSPS or the 2015 Scheme, as applicable.

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3.4 Change of employment

- (a) Contributions may continue when a Member changes employment provided that the Member remains in Pensionable Service.
- (b) Contributions must cease if a Member ceases to be in Pensionable Service.

3.5 Employer's contributions The Scheme may accept any contributions from a Member's Employer or payments by the Minister for the purposes of meeting the expenses of establishing and administering the Scheme or for the purposes of investment for the benefit of a Member in accordance with Rule 3.1(d).

3.6 Transfer values in

A transfer value shall only be accepted by the Scheme if it meets such conditions as the Minister may determine.

4 Benefits

4.1 Benefits which may be provided

- (a) A Member's Scheme Assets may be applied by the Minister in any way, as instructed by the Member, which is a way authorised in relation to this Scheme by or under Chapter 3 of Part 4 of the Finance Act 2004 including but not limited to—
 - (i) taking the whole or part of the Member's Scheme Assets as a lump sum; and
 - (ii) applying the whole or part of the Member's Scheme Assets to secure benefits.
- (ab) Where the Member instructs the Minister to secure benefits, the Member is entitled to such benefits as are secured, in accordance with the Member's instructions, by the Member's Scheme Assets.
- (ac) Without prejudice to the generality of the above, the benefits normally permitted include—
 - (1) a lump sum payable on the death of the Member;
 - (2) a return of the Member's contributions, to the extent of the total realisable value of the investments made by the Minister with the contributions paid by the Member, either on the death of the Member before his pension starts or in the circumstances referred to in Rule 4.7(iii);
 - (3) a pension payable on the death of the Member on or after his pension starts to one or more Dependants throughout the remainder of their lifetime;
 - (4) a pension payable to the Member from a date chosen by the Member throughout the remainder of the Member's lifetime;
 - (5) if a pension is paid under sub-paragraph (4), a lump sum paid to the Member not exceeding the permitted maximum, as defined in paragraph 2 of Schedule 29 to the Finance Act 2004; and
 - (6) a lump sum meeting the conditions required for it to be a lifetime allowance excess lump sum for the purposes of Part 4 of the Finance Act 2004 (see paragraph 11 of Schedule 29 to that Act).

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- (b) In the case of benefits payable when, or after, the Member's pension starts, the choice of which of the above types of benefit shall be payable shall be made by the Member before his pension starts.
- (c) If the benefits payable to a contributor under this rule are subject to a Pension Debit, the benefits which would be payable under this rule if no Pension Debit applied to those benefits shall be reduced to the extent required by section 31 of the Welfare Act 1999.

4.2 Choice of benefits

The Member shall choose the type of any pension to be secured under Rule 4.1 and the authorised provider from which it is purchased by the Minister.

4.3 When pension may be taken

The Member's pension must be taken on any date chosen by the Member which is not earlier than:

- (i) in the case of a person who became a Member before 6th April 2006, the Member's 50th birthday, or
- (ii) in all other cases, the Member's 55th birthday.

4.4 Benefits that must not be provided

The scheme must not make a payment which is an unauthorised payment within the meaning of section 160(5) of the Finance Act 2004.

4.5 rule deleted

4.6 Payment of lump sums on death

Any lump sum payable on a Member's death shall be paid or applied (by way of settlement or otherwise) within 2 years of the Member's death by the Minister to or for the benefit of any one or more of:

- (i) any person nominated by the Member in writing;
- (ii) the Member's Dependants, children, parents, grandparents and descendants of such persons; and
- (iii) the Member's personal representatives.

The decision as to which person or persons should receive part or all of the lump sum and how much each shall receive shall be at the absolute

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discretion of the Minister. Any part of the lump sum which has not been so paid or applied within 2 years of the Member's death shall be paid to the Member's personal representatives. For the purposes of this Rule, a lump sum includes a refund of contributions.

4.7 Leaving the scheme

A Member may cease to be a Member of the Scheme in relation to all or part of the Member's Scheme Assets at any time before those Assets are applied under Rule 4.1 by requiring the Minister (in such manner as may, subject to Chapters 4 and 5 of Part IV of the Pension Schemes Act 1993, be specified by the Minister) to do one or more of the following as appropriate:

- (i) to transfer all or part of the Member's Scheme Assets to an Registered Scheme of a subsequent employer, or to a Personal Pension Scheme subject, in each case, to the scheme being willing to accept the transfer value and meeting the prescribed requirements referred to in section 95 of the Pension Schemes Act 1993;
- (ii) to use all or part of the Member's Scheme Assets to purchase one or more insurance policies of the type described in section 95(2)(c) of the Pension Schemes Act 1993;
- (iii) if the Member's Pensionable Service, together with any service whilst a member of a previous employer's pension scheme from which a transfer value has been paid to this Scheme, the PCSPS or the 2015 Scheme, totals less than 2 years, to pay the Member the value of the Member's Scheme Assets after deduction of any tax payable by the Minister;
- (iv) to transfer all or part of the Member's Scheme Assets to an arrangement that is a qualifying recognised overseas pension scheme for the purposes of Part 4 of the Finance Act 2004 (see section 169(2) of that Act);
- (v) to apply all or part of the Member's Scheme Assets in any other way which is not an unauthorised payment in relation to this Scheme within the meaning of section 160 of the Finance Act 2004.

4.8 Transfer of Member's accrued rights without consent

- (1) This Rule applies if the rights of one or more Members ("the transferred members") are transferred to another occupational pension scheme from this Scheme without their consent in accordance with section 73(2)(a)(i) and (4)(b) (form of short

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service benefit and its alternatives) of the Pension Schemes Act 1993.

- (2) The transfer payment to be made in respect of the rights of the transferred members is an amount that the Minister determines to be appropriate.
- (3) This Scheme has effect with any modifications the Minister considers necessary in consequence of the transfer.”.

4.9 Forfeiture of benefits

In the case of a Member who belongs to the 1972 Section, the Minister may, in the circumstances set out in rule 8.2 of the 1972 Section, withhold all or part of the Member’s Scheme Assets which arise by virtue of any employer’s contributions.

In the case of a Member who belongs to the 2002 Section, the Minister may:

- (i) withhold all or part of the Member’s Scheme Assets in the circumstances set out in rule J.2(1) (subject to rule J.3(5)) of the 2002 Section; or
- (ii) withhold all or part of the Member’s Scheme Assets to a person to whom rule J.2(2) of the 2002 Section applies, which arise by virtue of any employer’s contributions.

In the case of a Member who belongs to the 2007 Section, the Minister may:

- (i) withhold all or part of the Member’s Scheme Assets in the circumstances set out in rule K.3(1) (subject to rule K.2(5)) of the 2007 Section; or
- (ii) withhold all or part of the Member’s Scheme Assets to a person to whom rule K.3(2) of the 2007 Section applies, which arise by virtue of any employer’s contributions;

In the case of a Member who belongs to the 2015 Scheme, the Minister may withhold all or part of the Member’s Scheme Assets which arise by virtue of any employer’s contributions—

- (i) in the circumstances set out in regulation 165 of the 2014 Regulations; or

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- (ii) to a person to whom regulation 166 of the 2014 Regulations applies.

Where a Member has accrued benefits in more than one Section of the PCSPS, he will be treated as if he belongs only to the Section of which he is an active member or has most recently been an active member for the purpose of determining which of the above paragraphs of this rule apply. The relevant paragraph may be applied in relation to all or part of the Member's Scheme Assets which arise by virtue of any employer's contributions.

Before a Member's Scheme Assets may be forfeited under this rule, the procedure in rule 8.2 of the 1972 Section, rule J.4 of the 2002 Section, rule K.4 of the 2007 Section or regulation 169 of the 2014 Regulations, as the case may be, shall be followed.

5. This section has been deleted.

6 Surrender at the request of, and termination by, the Minister

- 6.1 (a) The Minister may require an institution with which contributions have been invested under the Scheme to surrender the whole or part of the value of such contributions.
- (b) If, pursuant to Rule 6.1(a), the Minister requires a surrender of the whole or part of the value of contributions, he shall reinvest such contributions in accordance with paragraph 9 of the Declaration of this Scheme.
- (c) If, on or before the date when the Minister exercises his right under Rule 6.1(a) above, a request has been received from a Member under Rule 3.1(c), the Minister may give effect to such request.
- 6.2 (a) If, pursuant to his powers under the Superannuation Act 1972, the Minister revokes the Scheme, before the effective date of such revocation each Member will be required by the Minister in writing to exercise an option, as appropriate, under Rule 4.7 and shall, when effect has been given to such option by the Minister, cease to be a Member of the Scheme.
- (b) If a Member fails to exercise an option under Rule 6.2(a) within 3 months of being required to do so, the Minister may use the Member's Scheme Assets to purchase one or more insurance policies of the type described in section 95(2)(c) of the Pension Schemes Act 1993.

7 Taxation

- 7.1 This section applies if –
- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 occurs in relation to a Member (referred to as “the event” in this section), and
- (b) the Member and the scheme administrator for the purposes of section 217 of the Finance Act 2004 (referred to as “the administrator” in this section) are jointly and severally liable in relation to the event.
- 7.2 The administrator must pay any tax payable on the event.
- 7.3 The benefits payable to or in respect of the Member, or the transfer payment in the case of event 8 in the table in section 216(1) of the Finance Act 2004, shall be reduced to reflect fully the tax payable under rule 7.2 in accordance with guidance provided by the Minister.

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- 7.4 (1) This rule applies where—
- (a) a Member gives valid notice to the Minister of joint and several liability for some or all of an annual allowance charge under section 237B(3) of the Finance Act 2004; and
 - (b) the Minister satisfies the liability specified in the notice.
- (2) The amount or value of the Member's Scheme Assets for the tax year to which the notice relates must be reduced by the Minister in accordance with paragraph (3).
- (3) The amount or value of the reduction of the Member's Scheme Assets must fully reflect the amount paid by the Minister.

8 Prohibition on assignment or charge on benefits

By virtue of section 5(1) of the Superannuation Act 1972, any assignment (or, in Scotland, assignation) or charge on, and any agreement to assign or charge, any benefits payable under this Scheme shall be void except to the extent permitted by section 44 of the Welfare Act 1999.

9 Pension sharing on divorce nullity or dissolution: transfers out of Pension Credits

9.1 Discharge of liability of Pension Credit

- (a) Following the making of a Pension Sharing Order the Minister shall, within the implementation period, pay the amount of the Ex-spouse's or Ex-civil partner's Pension Credit, as calculated in accordance with rule 9.2, to the person responsible for a Qualifying Arrangement with a view to acquiring rights under that arrangement for the Ex-spouse or Ex-civil partner if:
 - (i) the person responsible for that arrangement is able and willing to accept payment of the Credit, and
 - (ii) paragraph (b) or (c) applies.
- (b) This paragraph applies where the Ex-spouse or Ex-civil partner has consented to the Minister making such payment to that Qualifying Arrangement.
- (c) This paragraph applies where the Ex-spouse or Ex-civil partner has not given consent for the purposes of paragraph (b), and the Qualifying Arrangement is one which the Minister has determined at his discretion.
- (d) For the avoidance of doubt the Minister must, before making a payment under paragraph (c), attempt to seek consent under paragraph (b).

9.2 Amount of Pension Credit: calculation of cash equivalent

For the purposes of rule 9.1, the amount of Pension Credit shall be such sum as shall satisfy the requirements prescribed for the time being under section 30 of the Welfare Act 1999

9.3 Death of Ex-spouse or Ex-civil partner before liability in respect of Pension Credit is discharged

- (a) If the Ex-spouse or Ex-civil partner dies before the Minister has discharged his liability in respect of an Ex-spouse's or Ex-civil partner's Pension Credit, the Minister shall discharge his liability in accordance with this rule.
- (b) The Ex-spouse or Ex-civil partner may nominate in writing in such form as the Minister may require one or more persons to receive his Pension Credit in accordance with the provisions of this rule.

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- (c) The Minister may pay the amount of the Pension Credit calculated in accordance with rule 9.2 to such of the persons specified in paragraph (d) as the Minister considers appropriate.
- (d) The persons specified in this paragraph are—
 - (i) the person or persons nominated by the Ex-spouse or Excivil partner in accordance with paragraph (b);
 - (ii) the Ex-spouse or Ex-civil partner's personal representatives; or
 - (iii) such other person or persons as the Minister considers appropriate, being the Ex-spouse or Ex-civil partner's surviving spouse, surviving civil partner or eligible child (within the meaning of regulation 113 of the 2014 Regulations), or some other person who is (or was at the time of the Ex-spouse or Excivil partner's death) financially dependent on the Ex-spouse or Ex-civil partner.
- (e) The balance of any Pension Credit held by the minister after applying the provisions of this paragraph shall be retained by this Scheme.

9.5 Charging

The Minister may recover charges incurred in connection with any of the activities prescribed for the time being under section 41 of the Welfare Act 1999 and in accordance with, and to the extent prescribed in regulations made under that section.