



## How the Conditions for Transfers Regulations 2021 apply to the transfer of AVCs

### Introduction

This document explains how [the Occupational and Personal Pension Schemes \(Conditions for Transfers\) Regulations 2021](#) ('the new regulations') apply to transfers of AVCs to UK registered pension schemes.

We cover how the new regulations apply to certain other types of transfer in the non-club transfers out technical guide. You can find this guide in the Administrator guides and documents pages of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgpsregs.org](http://www.scotlgpsregs.org). We do not cover transfers of AVCs in that guide.

In this document we set out for transfers of AVCs to other UK registered pension schemes:

- which parts of the non-club transfers out technical guide covering the new regulations, and
- where the new regulations apply differently.

Neither this document nor the non-club transfers out technical guide explains the other rules relevant to the transfer of AVCs.

### Summary

The new regulations apply to deferred and pension credit members, who elect to transfer their AVCs on or after 30 November 2021, in a similar way to other types of transfer. The main difference is that you must let the member know about the new regulations within one month of receiving the election to transfer the AVCs, rather than within one month of receiving an application for a statement of entitlement. This is because statements of entitlement are not relevant to the transfer of AVCs.

**Which parts of the non-club transfers out technical guide covering the new regulations are also relevant to the transfer of AVCs to other U K registered pension schemes?**

Table 1

<b>New regulation requirements</b>	<b>Relevant sub paragraph in section 4 (CETV questions and answers) of the non-club transfers out technical guide</b>	<b>How does this apply to the transfer of AVCs?</b>
<p>You must inform the member that for the transfer to proceed, you must be satisfied that either the First or Second condition has been met.</p>	<p>Information to be provided to member upon initial enquiry.</p>	<p>For the transfer of AVCs, you must inform the member within one month of the date the member elects to transfer their AVCs. You do not need to do so if you pay the transfer within that one-month period.</p> <p>Rather than wait to see whether you will pay the transfer within the one-month period, you may find it easier to automatically send the information on receiving an election to transfer AVCs.</p> <p>We have created a template letter for this purpose called 'Transfers out initial enquiry letter AVCs and Pension Credits'. You can find this on the Administrator guides and documents pages of <a href="http://www.lgpsregs.org">www.lgpsregs.org</a> and <a href="http://www.scotlgpsregs.org">www.scotlgpsregs.org</a>.</p>

<b>New regulation requirements</b>	<b>Relevant sub paragraph in section 4 (CETV questions and answers) of the non-club transfers out technical guide</b>	<b>How does this apply to the transfer of AVCs?</b>
If you are satisfied beyond reasonable doubt that the receiving scheme is a 'safe scheme', the transfer may proceed.	The Conditions – First condition.	This applies to the transfer of AVCs in the same way as it applies to transfers of non-AVC deferred benefits or pension credit benefits.
You can decide that the second condition is met without requesting further information. You can do this where the receiving scheme is a personal pension scheme on your 'clean list' and, on the balance of probabilities, based on the information you hold, you decide that none of red flags three to six or amber flags four to eight are present.	<p>The Conditions – Second condition</p> <ul style="list-style-type: none"> <li>• Stage one – the balance of probability test</li> </ul>	This applies to the transfer of AVCs in the same way as it applies to transfers of non-AVC deferred benefits or pension credit benefits.

<b>New regulation requirements</b>	<b>Relevant sub paragraph in section 4 (CETV questions and answers) of the non-club transfers out technical guide</b>	<b>How does this apply to the transfer of AVCs?</b>
<p>Unless the case fell within the First Condition, or Stage one of the Second condition (set out in the previous two rows) you must formally request further information before you can decide whether the member meets the Second condition, including sending reminders.</p> <p>Where the receiving scheme is a UK occupational pension scheme, you must request the employment link information and, if necessary, reasonable and proportionate evidence / information. For personal pensions, you must request reasonable and proportionate evidence / information.</p>	<p>The Conditions – Second condition</p> <ul style="list-style-type: none"> <li>• Stage two – formally request information</li> </ul> <p>The Conditions – Employment link</p>	<p>This applies to the transfer of AVCs in the same way as it applies to transfers of non-AVC deferred benefits or pension credit benefits.</p>

<b>New regulation requirements</b>	<b>Relevant sub paragraph in section 4 (CETV questions and answers) of the non-club transfers out technical guide</b>	<b>How does this apply to the transfer of AVCs?</b>
When the member provides all the further information you formally requested, or, if the member does not do so, one month has passed since sending a reminder, you must decide whether the member meets the Second condition. This involves assessing whether any red and / or amber flags are present.	<p>The Conditions – Second condition</p> <ul style="list-style-type: none"> <li>• Stage three – assess whether red flags one and amber flags one, two or three are present</li> <li>• Stage four – assess whether red flags two to six and amber flags four to eight are present.</li> </ul>	This applies to the transfer of AVCs in the same way as it applies to transfers of non-AVC deferred benefits or pension credit benefits.
Record all the information you requested and received, together with details of your assessment, decision making and communications.	<p>The Conditions – Second condition</p> <ul style="list-style-type: none"> <li>• Stage five – record your decisions</li> </ul>	This applies to the transfer of AVCs in the same way as it applies to transfers of non-AVC deferred benefits or pension credit benefits.
Where you decide that one or more amber flags are present and no red flags are present, you must direct the member to obtain mandatory guidance from MoneyHelper.	The Conditions – MoneyHelper	This applies to the transfer of AVCs in the same way as it applies to transfers of non-AVC deferred benefits or pension credit benefits.

<b>New regulation requirements</b>	<b>Relevant sub paragraph in section 4 (CETV questions and answers) of the non-club transfers out technical guide</b>	<b>How does this apply to the transfer of AVCs?</b>
<p>If you are not satisfied that either the First or Second condition is met, you must refuse the transfer. You must inform the member in writing within seven working days of your decision. The letter must set out:</p> <ul style="list-style-type: none"> <li>• the reasons for your decision,</li> <li>• the address from which further information about it may be obtained, and</li> <li>• information on the right to appeal.</li> </ul> <p>We have created a template letter for this purpose called ‘Transfers out refusal to transfer’. You can find this on the Administrator guides and documents pages of <a href="http://www.lgpsregs.org">www.lgpsregs.org</a> and <a href="http://www.scotlgpsregs.org">www.scotlgpsregs.org</a>.</p>	<p>Can the member lose the right to a CETV?</p> <p>The Conditions – Refusing a transfer</p>	<p>This applies to the transfer of AVCs in the same way as it applies to transfers of non-AVC deferred benefits or pension credit benefits.</p>

<b>New regulation requirements</b>	<b>Relevant sub paragraph in section 4 (CETV questions and answers) of the non-club transfers out technical guide</b>	<b>How does this apply to the transfer of AVCs?</b>
<p>If you are satisfied that either the First or Second condition is met and you pay the transfer, you must write to the member confirming that:</p> <ul style="list-style-type: none"> <li>• you have made the payment,</li> <li>• the amount of the payment, and</li> <li>• you are satisfied that either the First or Second condition is met, and</li> <li>• the member’s right to appeal your decision to pay the transfer under IDRPs (including your decision as to its amount).</li> </ul> <p>We have created a template letter for this purpose called ‘Transfers out confirmation of payment’. You can find this on the Administrator guides and documents pages of <a href="http://www.lgpsregs.org">www.lgpsregs.org</a> and <a href="http://www.scotlgpsregs.org">www.scotlgpsregs.org</a>.</p>	<p>CETV confirmation of payment</p>	<p>This applies to the transfer of AVCs in the same way as it applies to transfers of non-AVC deferred benefits or pension credit benefits.</p>