

## Early leavers - code of practice

### Transcript of the flowchart two: Early leaver – the process

Please note: The following flowchart definitions are listed at the end of this document:

- Reasonable period (1)
  - Reasonable period (2)
  - Reasonable period (3)
  - Reasonable period (4)
  - Reply date
1. Member leaves pensionable service early with no vested rights, but satisfying the three months condition.  
  
If pensionable service ended because the scheme has entered wind-up – go to 3  
  
Else go to 2
  2. Trustees have a reasonable period (1), to notify the member of their rights, and that they must exercise them before the end of a reasonable period (2). The last day of this reasonable period (2) is the reply date. Either:
    - Member notifies trustees that they require a cash transfer sum before the reply date. Trustees have reasonable period (3) to pay the member's cash transfer sum as requested.
    - Member fails to respond before the reply date. Trustees may allow the member more time to respond. Trustees have a reasonable period (4) after which they may pay the contribution refund to the member. (Member loses the right to a cash transfer sum.), or
    - Member notifies trustees that they require a contribution refund before the reply date. Trustees have a reasonable period (3) to pay the contribution refund to the member or at their direction.
  3. If pensionable service ended because the scheme has entered wind-up, the member automatically acquires a right to a refund of contributions within a reasonable period (3), under regulation 5 of the Occupational Pension Schemes (Winding up etc.) Regulations 2005 / 706.  
  
Trustees have a reasonable period (3) to pay the contribution refund to the member or at their direction.

## **Definitions**

### **Reasonable period (1)**

The regulator expects that this would usually be within a period of three months from the date of the member leaving pensionable service.

### **Reasonable period (2)**

The regulator expects that this would usually be a period of at least three months from the date that member is notified of their rights.

### **Reasonable period (3)**

The regulator expects that this would usually be within a period of three months from the date of the member's notification or deemed notification (regulation 5 of the Occupational Pension Schemes (Winding up etc) Regulations 2005/706) to the trustees.

### **Reasonable period (4)**

The regulator expects that this would usually be a period of one month from the reply date or the end of any further period of time notified to the member by the trustees.

### **Reply date**

Is the last day of the reasonable period (2)