

## Abolition of short service refunds

The Department for Work and Pensions (DWP) has announced that, from October 2015, short-service refunds from Defined Contribution (DC) occupational pension schemes will be restricted to those members with less than 30 days' qualifying service.

Currently, members leaving a trust-based scheme with at least three months' but less than two years' pensionable service are offered a choice between a (taxed) refund of their own contributions or a transfer to another pension arrangement. Where the refund option is taken, the contributions made by the employer are generally left within the scheme to be used in accordance with the rules of the scheme. The change will affect new members of a DC occupational pension scheme joining after the commencement date in October 2015.