

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Example 3

Ne = £5,000; Da = 183; De = 183; Smg = 0

Part 9: Pension Income

Overview

Chapter 6: Approved retirement benefits schemes

Overview

Section 586: Meaning of “retirement benefits scheme” etc.

2350. This section invokes various definitions in ICTA.

2351. It derives from the interpretations in Chapter 1 of Part 14 of ICTA.

2352. *Subsection (1)* defines “retirement benefits scheme” and “approved”.

2353. “Retirement benefits scheme” is defined in section 611 of ICTA as follows:

In this Chapter “**retirement benefits scheme**” means, subject to the provisions of this section, a scheme for the provision of benefits consisting of or including relevant benefits, but does not include -

- (a) any national scheme providing such benefits; or
- (b) any scheme providing such benefits which is an approved personal pension scheme under Chapter IV of this Part.

2354. The definition of “approved” includes a reference to Chapter 2 of Part 2 of FA 1970. This is the legislation that introduced the new code for approved retirement benefits schemes. That code is now in Chapter 1 of Part 14 of ICTA.

2355. *Subsection (2)* deals with third party arrangements. It derives from section 612(2) of ICTA. It makes it clear that a pension or annuity paid through a third party is covered by section 580.

2356. *Subsection (3)* clarifies the meaning of “employer”. It derives from section 612(2A) of ICTA.