



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 9

PENSION INCOME

CHAPTER 6

APPROVED RETIREMENT BENEFITS SCHEMES

Pensions and annuities

580 Pensions and annuities

This section applies to—

- (a) any pension or annuity paid under a retirement benefits scheme which is either approved or being considered for approval, and
- (b) any annuity acquired using funds held for the purposes of a retirement benefits scheme which is either approved or being considered for approval.

581 Taxable pension income

If section 580 applies, the taxable pension income for a tax year is the full amount of the pension or annuity accruing in that year irrespective of when any amount is actually paid.

582 Person liable for tax

If section 580 applies, the person liable for any tax charged under this Part is the person receiving or entitled to the pension or annuity.

Status: This is the original version (as it was originally enacted).

Unauthorised payments

583 Unauthorised payments

- (1) This section applies to a payment if conditions A, B and C are met.
- (2) But this section does not apply to a payment to which section 623 applies.
- (3) Condition A is that the payment—
 - (a) is made out of funds which are held for the purposes of an approved retirement benefits scheme (“the paying scheme”), but
 - (b) is not expressly authorised—
 - (i) by the rules of the paying scheme, or
 - (ii) by virtue of paragraph 33 of Schedule 6 to FA 1989.
- (4) Condition B is that the payment is not made in the course of payment of a pension or annuity.
- (5) Condition C is that the payment is made to or for the benefit of—
 - (a) an employee, or
 - (b) an ex-spouse of an employee.
- (6) A payment to which this section applies is not to be charged to tax under—
 - (a) section 598 or 599 of ICTA, or
 - (b) the Regulations mentioned in paragraph 8 of Schedule 3 to FA 1971.
- (7) In this section “payment” includes—
 - (a) a transfer of assets, and
 - (b) any other transfer of money’s worth.

584 Taxable pension income

If section 583 applies, the taxable pension income for a tax year is the total amount or value of the payments made in that year.

585 Person liable for tax

If section 583 applies, the person liable for any tax charged under this Part is the person mentioned in condition C in section 583(5) to whom, or for whose benefit, the payment is made.

Interpretation etc.

586 Meaning of “retirement benefits scheme” etc.

- (1) In this Chapter—
 - “retirement benefits scheme” has the meaning given in section 611 of ICTA;
 - “approved”, in relation to such a scheme, means that the scheme is approved by the Board of Inland Revenue for the purposes of—
 - (a) Chapter 2 of Part 2 of FA 1970, or

- (b) Chapter 1 of Part 14 of ICTA.
- (2) Any reference in this Chapter to a pension or annuity paid under a retirement benefits scheme includes a reference to a pension or annuity paid under a contract which—
 - (a) is made for purposes of the scheme, and
 - (b) is made between—
 - (i) the administrator of the scheme,
 - (ii) the employer, or
 - (iii) the employee or an ex-spouse of the employee,and a third party.
- (3) In subsection (2) the reference to the employer is a reference to the person who is the employer in relation to the scheme.
- (4) In subsection (2)(b)(i) “administrator of the scheme” is to be construed in accordance with section 611AA of ICTA.
- (5) References in this Chapter to approved retirement benefits schemes are extended by section 587 (marine pilots' benefit fund).

587 Application to marine pilots' benefit fund

- (1) In this Chapter the expression “approved retirement benefits scheme” includes a marine pilots' benefit fund which is approved by the Board of Inland Revenue under section 607 of ICTA for the purposes of Chapter 1 of Part 14 of ICTA.
- (2) In any case where the paying scheme for the purposes of section 583(3) is a pilots' benefit fund, the references in section 583(5) to an employee are to be read as references to a member or former member of the fund.
- (3) In this section “marine pilots' benefit fund” means—
 - (a) a fund established under section 15(1)(i) of the Pilotage Act 1983 (c. 21), or
 - (b) any scheme supplementing or replacing any such fund.

588 Meaning of “employee” and “ex-spouse”

- (1) In this Chapter—
 - “employee”—
 - (a) includes a person who is to be, or has been, an employee, and
 - (b) in relation to a company, includes any officer or director of the company and any other person taking part in the management of the affairs of the company;
 - “ex-spouse” means a party to a marriage which has been dissolved or annulled and, in relation to any person, means the other party to a marriage with that person which has been dissolved or annulled.
- (2) For the purposes of the definition of “employee” in subsection (1), “director”, in relation to a company, includes—
 - (a) in the case of a company the affairs of which are managed by a board of directors or similar body, a member of that board or body,
 - (b) in the case of a company the affairs of which are managed by a single director or similar person, that person,

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(c) in the case of a company the affairs of which are managed by the members themselves, a member of that company,
and includes a person who is to be or has been a director.

589 Regulations

The Board of Inland Revenue may make regulations generally for the purpose of carrying the preceding provisions of this Chapter into effect.