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STATUTORY INSTRUMENTS

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**1989 No. 2290**

**INCOME TAX**

**The Pension Scheme Surpluses (Valuation)  
(Amendment) Regulations 1989**

*Made - - - - 5th December 1989*  
*Laid before the House of*  
*Commons - - - - 6th December 1989*  
*Coming into force - - 28th December 1989*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by Schedule 22 to the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Pension Scheme Surpluses (Valuation) (Amendment) Regulations 1989 and shall come into force on 28th December 1989.

**Interpretation**

2. In these Regulations “the Principal Regulations” means the Pension Scheme Surpluses (Valuation) Regulations 1987(2) and “regulation” means a regulation of the Principal Regulations.

**Amendments to the Principal Regulations**

3. In regulation 2 after the definition of “signed valuation” there shall be inserted—  
“; “simplified defined contribution scheme” means a scheme approved by the Board under section 591 of the Income and Corporation Taxes Act 1988(3) by reference to limitations on—  
(a) the aggregate amount of the contributions which may be paid by a member and his employer,  
(b) the maximum lump sum which may be provided under the scheme, and  
(c) the benefits payable on death which may be provided under the scheme”.

4.—(1) In regulation 3(2) for sub-paragraphs (a) and (b) there shall be substituted—

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(1) 1988 c. 1.  
(2) S.I.1987/412.  
(3) 1988 c.1; subsections (5) and (6) were amended by the Finance Act 1988 (c. 39), section 146 and Schedule 13, paragraph 6.

- “(a) self-administered schemes other than schemes which fall within either or both of sub-paragraphs (a) and (b) of paragraph (3);
- (b) insured schemes, the policies in respect of which do not provide that levels of contributions require to take account of surpluses, other than schemes–
  - (i) the policies in respect of which provide only for lump sum benefits for members on death before normal retirement age, or
  - (ii) which are simplified defined contribution schemes.”.
- (2) After regulation 3(2) there shall be inserted–
  - “(3) The schemes which fall within this paragraph are schemes which–
    - (a) have less than 12 members,
    - (b) are simplified defined contribution schemes.”.
- 5. In regulation 7(1)–
  - (a) in sub-paragraphs (a) and (c) after the word “income” there shall be inserted–
    - “and, where appropriate, capital receipts” and;
  - (b) in sub-paragraph (b) after the word “income” there shall be inserted–
    - “and capital receipts”.
- 6. In regulation 10–
  - (a) in paragraph (2) after sub-paragraph (d) for the words “(e) unless it is otherwise agreed” there shall be substituted–
    - “and, unless it is otherwise agreed,”;
  - (b) in paragraph (4) after the words “and 8(3)(b)” there shall be inserted–
    - “of Schedule 12 and paragraph 7(10) of Schedule 22 to the Income and Corporation Taxes Act 1988”; and
  - (c) after paragraph (4) there shall be inserted–
    - “(5) For the purposes of paragraph 7(1) of Schedule 22 to the Income and Corporation Taxes Act 1988 “the prescribed percentage” is 5 per cent.”.

5th December 1989

*A. J. G. Isaac*  
*L. J. H. Beighton*  
Two of the Commissioners of Inland Revenue

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which come into force on 28th December 1989, amend the Pension Scheme Surpluses (Valuation) Regulations 1987 (“the Principal Regulations”).

Regulation 1 provides for citation and commencement and regulation 2 contains definitions.

Regulation 3 amends regulation 2 of the Principal Regulations by inserting a definition of “simplified defined contribution scheme”.

Regulation 4 amends regulation 3 of the Principal Regulations which prescribes the schemes to which the provisions of Schedule 22 to the Income and Corporation Taxes Act 1988 (formerly Part II of Schedule 12 to the Finance Act 1986 (c. 41)) apply.

Regulation 5 amends regulation 7(1) of the Principal Regulations to secure that the requirements of regulation 7(1) of the Principal Regulations shall apply in relation to capital receipts as well as to income.

Regulation 6 amends regulation 10 of the Principal Regulations. Apart from a drafting amendment, the amendments secure that for the purposes of paragraph 7(10) of Schedule 22 to the Income and Corporation Taxes Act 1988 the “prescribed maximum” shall be 5 per cent. and that for the purposes of paragraph 7(1) of that Schedule the “prescribed percentage” shall be 5 per cent.