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STATUTORY INSTRUMENTS

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**2006 No. 136**

**INCOME TAX**

**The Pension Benefits (Insurance Company Liable  
as Scheme Administrator) Regulations 2006**

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| <i>Made</i>                                 | - - - - | <i>25th January 2006</i> |
| <i>Laid before the House of<br/>Commons</i> | - - - - | <i>26th January 2006</i> |
| <i>Coming into force</i>                    | - -     | <i>6th April 2006</i>    |

The Commissioners for Her Majesty's Revenue and Customs, in exercise of the powers conferred by section 273A(1) and (2) of the Finance Act 2004<sup>(1)</sup>, and now exercisable by them<sup>(2)</sup>, make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Pension Benefits (Insurance Company Liable as Scheme Administrator) Regulations 2006 and shall come into force on 6th April 2006.

**Insurance company liable as scheme administrator**

2.—(1) This regulation applies where an insurance company makes a payment of—

- (a) a pension protection lump sum death benefit,
- (b) an annuity protection lump sum death benefit, or
- (c) an unsecured pension fund lump sum death benefit.

(2) The insurance company is to be treated as the scheme administrator for the purposes of the operation of section 206 (special lump sum death benefits charge) in relation to the lump sum death benefit.

(3) The insurance company is responsible for the discharge of the obligations imposed on the scheme administrator under subsections (1) to (7) of section 254 (accounting for tax by scheme administrators).

(4) The insurance company is liable to the penalties under—

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(1) 2004 c. 12. Section 273 A was inserted by paragraph 49(1) of Schedule 10 to the Finance Act 2005 (c. 7).  
(2) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50 of that Act provides that insofar as it is appropriate in consequence of section 5 a reference, however expressed, to the Commissioners of Inland Revenue is to be read as a reference to the Commissioners for Her Majesty's Revenue and Customs.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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- (a) section 260(1) (accounting return) if it fails to comply with the obligations imposed by section 254(1) to (7) as applied to it by virtue of paragraph (2); and
- (b) section 260(6) if it fraudulently or negligently makes an incorrect return under section 254(1) to (7) as so applied.

*Paul Gray*  
*Mike Eland*

Two of the Commissioners for Her Majesty's  
Revenue and Customs

25th January 2006

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## EXPLANATORY NOTE

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

These Regulations impose obligations on insurance companies which make payments of lump sum death benefits falling within section 273A(1) of the Finance Act 2004 (which was inserted by paragraph 49(1) of Schedule 10 to the Finance Act 2005).

Regulation 1 provides for the citation and commencement of the Regulations.

Regulation 2 provides that an insurance company which makes a payment of a lump sum death benefit falling within section 273A(1) is to be treated as the scheme administrator for the purposes of the special lump sum death benefit charge to income tax under section 206 of the 2004 Act. It further provides that the insurance company is liable to account for that charge under section 254(1) to (7) of that Act, and liable to penalties for failing to make a return or fraudulently or negligently making an incorrect return.

A regulatory impact assessment in respect of the provisions of Part 4 of the Finance Act 2004 and subordinate legislation under it was published by the Board of Inland Revenue on 8 April 2004, and is available on HM Revenue & Customs website at [www.hmrc.gov.uk/ria/simplifying-pensions.pdf](http://www.hmrc.gov.uk/ria/simplifying-pensions.pdf) or (for hard copies) by writing to the Ministerial Correspondence Unit, 1st Floor, Ferrers House, PO Box 38, Castle Meadow Road, Nottingham, NG 2 1BB.