
STATUTORY INSTRUMENTS

2006 No. 572

**The Taxation of Pension Schemes
(Transitional Provisions) Order 2006**

Payments made from annuities

2.—(1) In its application to any pension scheme which by virtue of paragraph 1(1) of Schedule 36 (pension schemes: transitional provisions and savings)—

- (a) is to be treated as becoming a registered pension scheme on 6th April 2006;
- (b) would have been so treated had it not been wound up before that date; or
- (c) would have been so treated if the scheme administrator had not notified Revenue and Customs under paragraph 2 of Schedule 36 (opting out of deemed registration) that the pension scheme was not to become a registered pension scheme on that date,

section 161 (meaning of “payment” etc) is modified as follows.

(2) In subsection (3) after the words “of a registered pension scheme” add—
“or, if the purchase took place before 6th April 2006, a pension scheme which at the time of purchase fell within one of the categories set out in paragraph 1(1)(a) to (g) of Schedule 36.”.

(3) After subsection (3) add—

“(3A) But subsection (4) does not apply to a payment made or benefit provided under or in connection with an annuity which fulfils the following conditions.

Condition 1

The annuity was purchased from an insurance company.

Condition 2

The annuity was purchased by a pension scheme which at the time of purchase fell within one of the categories set out in paragraph 1(1)(a) to (g) of Schedule 36.

Condition 3

The annuity was purchased in order to secure or provide benefits under the scheme referred to in Condition 2.

Condition 4

The terms of the annuity, or of any arrangement or agreement made in connection with that annuity do not permit a payment, the making of which would have given the Board (1) grounds for withdrawing approval of the pension scheme under section 591B of ICTA if it had been made before 6th April 2006.

Condition 5

The terms of the annuity contract have not been altered on or after 6th April 2006 to allow a payment that would be an unauthorised payment if it had been made by a registered pension scheme.”.

(1) The Board is defined in section 832 of ICTA as the Commissioners of Inland Revenue.

Status: This is the original version (as it was originally made).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

(4) In its application to any pension scheme which falls within sub-paragraph (1)(b) section 161(4) is modified as follows.

(5) For the words “held for the purpose of the pension scheme” substitute “held for the purposes of a registered pension scheme”.