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STATUTORY INSTRUMENTS

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**2006 No. 572**

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

**Modification of Schedule 28**

5.—(1) Schedule 28 (registered pension schemes: authorised pensions—supplementary) shall be modified as follows.

(2) In paragraph 10—

(a) in sub-paragraph (1) for “The period of five unsecured pension years” substitute “The first reference period as defined in sub-paragraph (1A) below”;

(b) after sub-paragraph (1) insert a new sub-paragraph as follows—

“(1A) The “first reference period” is the period commencing on 6th April 2006 and terminating on the earliest of—

(a) the day immediately before the day fixed by the scheme administrator on which to recalculate the basis amount;

(b) the day immediately before the day on which the basis amount was recalculated following an annuity purchase;

(c) 6th April 2008.”;

(c) in sub-paragraph (2) for “sub-paragraph (5)” substitute “sub-paragraphs (2A) and (5).”;

(d) after sub-paragraph (2) insert the following sub-paragraph—

“(2A) For the first reference period as defined in sub-paragraph (1A), the basis amount is—

(a) the annual amount of the annuity calculated pursuant to section 630 of ICTA;

(b) the maximum annual pension calculated in accordance with the rules set out in Appendix XII Part I of the Occupational Pension Schemes Practice Notes (IR12) published by the Board on 22nd January 2001 (“the Notes”);

(c) the annual amount of pension income which has been paid in accordance with paragraph 20.41 of the Notes in respect of a retirement benefits scheme approved for the purposes of Chapter 1 of Part 14 of ICTA, being paid as a small self-administered pension pursuant to the terms of Memorandum 119 issued on 6th May 1994 by the Board(1).

which could have been purchased by the application of the sums and assets which then represented the member’s pension fund on the nominated date.”;

(e) in sub-paragraph (3)(a) for “the reference date” substitute “the applicable reference date”;

(f) after sub-paragraph (3) insert—

“(3A) “The applicable reference date” is the date on which the pension fund was last valued —

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(1) i.e. by the Commissioners of Inland Revenue. For the construction of references to the Board in relation to pensions on or after 18 April 2001 see section 50 of the Commissioners for Revenue and Customs Act 2005 c. 11.

- (a) in the case of a personal pension fund, pursuant to section 634A of ICTA (income withdrawal by member),
  - (b) in the case of a retirement benefits scheme (other than one falling within paragraph (c) below), pursuant to the rules set out in the Notes, or
  - (c) in the case of a retirement benefits scheme referred to in sub-paragraph (2A) (c), the date of the scheme's last triennial report as required by paragraph 20.41 of the Notes.”.
- (3) In paragraph 24—
- (a) in sub-paragraph (1) for the words “The period of five unsecured pension years” substitute “The first reference period as defined in sub-paragraph (1A) below”;
  - (b) after sub-paragraph (1) insert a new sub-paragraph as follows—
    - “(1A) The “first reference period” is the period commencing on 6th April 2006 and terminating on the earliest of—
      - (a) the day immediately before the day fixed by the scheme administrator on which to recalculate the basis amount;
      - (b) the day immediately before the day on which the basis amount was recalculated following an annuity purchase;
      - (c) 6th April 2008.”;
  - (c) in sub-paragraph (2) for “sub-paragraph (5)” substitute “sub-paragraphs (2A) and (5).”;
  - (d) after sub-paragraph (2) insert the following sub-paragraph—
    - “(2A) For the first reference period as defined in sub-paragraph (1A), the basis amount is—
      - (a) the annual amount of the annuity calculated pursuant to section 630 of ICTA,
      - (b) the maximum annual pension calculated in accordance with the rules set out in Appendix XII Part I of the Occupational Pension Schemes Practice Notes (IR12) published by the Board on 22nd January 2001 (“the Notes”) or,
      - (c) the annual amount of pension income that has been paid in accordance with paragraph 20.41 of the Notes in respect of a retirement benefits scheme approved for the purposes of Chapter 1 of Part 14 of ICTA, being paid as a small self-administered pension calculated pursuant to the terms of Memorandum 119 issued by the Board on 6 May 1994
 which could have been purchased by the application of the sums and assets which then represented the member's pension fund on the nominated date.”;
  - (e) in sub-paragraph (3)(a) for “the reference date” substitute “the applicable reference date”;
  - (f) after sub-paragraph (3) insert—
    - “(3A) “The applicable reference date” is the date on which the pension fund was last valued—
      - (a) in the case of a personal pension fund, pursuant to section 636A of ICTA (income withdrawal after the death of member),
      - (b) in the case of a retirement benefits scheme (other than one falling within paragraph (c) below), pursuant to the rules set out in the Notes, or
      - (c) in the case of a retirement benefits scheme referred to in sub-paragraph (2A) (c), the date of the scheme's last triennial report as required by paragraph 20.41 of the Notes.”.

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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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