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STATUTORY INSTRUMENTS

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**2013 No. 1111**

**INCOME TAX**

**The Registered Pension Schemes (Reduction in Pension Rates, Accounting and Assessment) (Amendment) Regulations 2013**

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| <i>Made</i>                             | - - - - | <i>8th May 2013</i>  |
| <i>Laid before the House of Commons</i> | - - - - | <i>9th May 2013</i>  |
| <i>Coming into force</i>                | - -     | <i>31st May 2013</i> |

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 254(4)(b) of, and paragraph 2(4)(h) and (8) of Schedule 28 to, the Finance Act 2004<sup>(1)</sup> and now exercisable by them<sup>(2)</sup>:

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Registered Pension Schemes (Reduction in Pension Rates, Accounting and Assessment) (Amendment) Regulations 2013.

(2) These Regulations come into force on 31st May 2013 but the amendments made by regulation 3 have effect from 6th April 2013.

**Amendments to the Registered Pension Schemes (Accounting and Assessment) Regulations 2005**

2.—(1) The Registered Pension Schemes (Accounting and Assessment) Regulations 2005<sup>(3)</sup> are amended as follows.

(2) In regulation 3(1) (the particulars required to be included in returns under section 254) in Table 1, in the second column (specified particulars), in the third row (in the particulars specified in respect of the annual allowance charge) after the third entry, insert—

“4. The tax year to which the annual allowance charge relates.”

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(1) [2004 c. 12](#). Section 254 was amended by paragraph 18 of Schedule 17 to the Finance Act [2011 \(c. 11\)](#). Paragraph 2(4)(h) and (8) of Schedule 28 were inserted by paragraph 11(6) and (9) 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(1) of the Commissioners for Revenue and Customs Act [2005 \(c. 11\)](#). Section 50(1) of that Act provides that, in so far as is appropriate in consequence of section 5, a reference in an enactment to the Commissioners of Inland Revenue (however expressed) shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(3) [S.I. 2005/3454](#). Regulation 3 was amended by regulation 2 of [S.I. 2011/302](#) and regulation 9 of [S.I. 2011/1751](#).

### **Amendments to the Pension Schemes (Reduction in Pension Rates) Regulations 2006**

3.—(1) The Pension Schemes (Reduction in Pension Rates) Regulations 2006(4) are amended as follows.

(2) In regulation 3 (reduction of pension – prescribed circumstances)(5) after “regulations 4” insert “, 4A”.

(3) In regulation 4 (reduction of pension under certain provisions) after paragraph (c) insert—  
“;

(d) section 237E(1)(6) of the Finance Act 2004 (consequential benefit adjustments to be reasonable etc)”.

(4) After regulation 4 insert—

#### **“Reduction of pension – voluntary satisfaction of liability**

**4A.** The circumstances are that the pension is reduced by reason of the satisfaction by the scheme administrator on a voluntary basis of all or part of a liability of a member arising under section 227(1)(7) of the Finance Act 2004 (annual allowance charge).”

*Ruth Owen  
Jim Harra*

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

8th May 2013

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(4) [S.I. 2006/138](#).

(5) Regulations 3, 4 and 5 were substituted with effect from 6th April 2006 for the previous regulation 3 by regulation 2 of [S.I. 2009/1311](#).

(6) Section 237E(1) was inserted by paragraph 15 of Schedule 17 to the Finance Act 2011.

(7) Section 227 was amended (so far as relevant) by paragraph 3 of Schedule 17 to the Finance Act 2011.

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## EXPLANATORY NOTE

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

These Regulations make amendments to the Registered Pension Schemes (Accounting and Assessment) Regulations 2005 (“the 2005 Regulations”) and the Pension Schemes (Reduction in Pension Rates) Regulations 2006 (“the 2006 Regulations”).

The 2005 Regulations make provision in connection with charges to tax under Part 4 of the Finance Act 2004 (“the Act”) in respect of registered pension schemes. Regulation 2 of these Regulations amends the table in regulation 3 of the 2005 Regulations so that a scheme administrator making a return under section 254 of the Act must include the tax year to which an annual allowance charge relates.

The 2006 Regulations contain provision which enables a pension to be reduced in specified circumstances without the pension ceasing to be a “scheme pension” within the meaning of Part 1 of Schedule 28 to the Act. Regulation 3 of these Regulations specifies an additional circumstance. This is the satisfaction of an individual’s annual allowance charge by the scheme administrator. The reduction may take place in accordance with section 237E(1) of the Act or on a voluntary basis.

Regulation 3 has effect from 6th April 2013. Paragraph 2(8) of Schedule 28 to the Act provides that Regulations made under paragraph 2(4)(h) may include provision having effect in relation to times before the Regulations are made.

A Tax Information and Impact Note (“TIIN”) covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.