

2016 No. 329

INCOME TAX

**The Income Tax (Pay As You Earn) (Amendment) Regulations
2016**

<i>Made</i>	- - - -	<i>9th March 2016</i>
<i>Laid before the House of Commons</i>		<i>11th March 2016</i>
<i>Coming into force</i>	- -	<i>6th April 2016</i>

The Commissioners for Her Majesty’s Revenue and Customs make the following Regulations in exercise of the powers conferred by section 113(1) of the Taxes Management Act 1970(a), section 133 of Finance Act 1999(b) and section 684(1) and (2) of the Income Tax (Earnings and Pensions) Act 2003(c) and now exercisable by them(d).

Citation and commencement

1. These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment) Regulations 2016 and come into force on 6th April 2016.

Amendment of the Income Tax (Pay As You Earn) Regulations 2003

2. The Income Tax (Pay As You Earn) Regulations 2003(e) are amended as follows.

3. In regulation 65 (repayment if no longer employed) omit paragraph (2)(a).

4. In Table 10 (regulations which require approved document or format and which permit electronic delivery) in regulation 211 (how information must or may be delivered by employers)(f)—

(a) in the entry relating to “regulation 36(1) and 36(2)(b)” in column 5 for “no” substitute “not applicable”, and

(b) after the entry relating to “regulation 90(2)”, insert a new entry—

“98(4)	multiple PAYE schemes	Form P350	yes	yes”
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- (a) 1970 c. 9. Section 113 has not been relevantly amended.
 - (b) 1999 c. 16.
 - (c) 2003 c. 1. Section 684 has been relevantly amended by paragraph 102 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (CRCA) (c.11).
 - (d) As a consequence of the amendment by paragraph 102 of Schedule 4 to CRCA to section 684(1) of the Income Tax (Earnings and Pensions) Act 2003, the Commissioners for Her Majesty’s Revenue and Customs have the power to make the Regulations. The powers of the Commissioners of Inland Revenue under section 113(1) of the Taxes Management Act 1970 and section 133 of the Finance Act 1999 were transferred to the Commissioners for Her Majesty’s Revenue and Customs by section 5 of CRCA. Section 50(1) of CRCA provides that, in so far as is appropriate in consequence of section 5, a reference, howsoever expressed, to the Commissioners of Inland Revenue, is to be taken as a reference to the Commissioners for Her Majesty’s Revenue and Customs.
 - (e) S.I. 2003/2682 (“the principal Regulations”); relevant amending instruments are S.I. 2012/822 and 2015/1927.
 - (f) Table 10 in regulation 211 has been amended but none of the amendments are relevant to this instrument.

5. In Schedule A1 (real time returns) after paragraph 22B(a) insert—

“**22C.**—(1) If applicable, an indication that comprised within the payment is an amount in respect of a reportable payment and the amount of that reportable payment.

(2) For the purposes of sub-paragraph (1) a “reportable payment” is—

- (a) a payment of an uncrystallised funds pension lump sum,
- (b) a lifetime annuity under a flexible annuity contract, or
- (c) a payment made out of—
 - (i) a fund referred to in section 227G(2), (4) or (5) of the Finance Act 2004(b),
 - (ii) an arrangement referred to in section 227G(3) of the Finance Act 2004, or
 - (iii) a scheme pension referred to in section 227G(9) of the Finance Act 2004.

(3) For the purposes of sub-paragraph (2)—

- (a) “flexible annuity contract” has the meaning given by section 227G(8) of the Finance Act 2004, and
- (b) “uncrystallised funds pension lump sum” has the meaning given by paragraph 4A of Schedule 29 to the Finance Act 2004(c).

22D. If applicable, an indication that comprised within the payment is a lump sum to which section 636A(4ZA) of ITEPA(d) applies and the amount of that lump sum.”.

*Edward Troup
Jim Harra*

9th March 2016

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Pay As You Earn) Regulations 2003 (S.I. 2003/2682) (“the principal Regulations”) which make provision for the assessment, charge, collection and recovery of income tax in respect of all pay as you earn income.

Regulation 3 of this instrument amends regulation 65 of the principal Regulations to remove the requirement for a person who is seeking a repayment of tax where that person is no longer employed to provide Parts 2 and 3 of Form P45 to Her Majesty’s Commissioners for Revenue and Customs.

Regulation 4 amends Table 10 in regulation 211 of the principal Regulations. The amendment made by regulation 4(a) clarifies the position relating to service of certain Parts of Form P45 by an employer to an employee. Regulation 4(b) inserts a new entry relating to an election by an employer under regulation 98 of the principal Regulations to be treated as different employers in relation to different groups of employees.

Regulation 5 amends Schedule A1 to the principal Regulations. That Schedule sets out the information which an employer (which includes a pension provider) is required to report to Her Majesty’s Revenue and Customs (“HMRC”) on making a payment to an employee (which

(a) Schedule A1 was inserted by regulation 52 of S.I. 2012/822 and paragraph 22B was inserted by regulation 14 of S.I. 2015/1927.

(b) 2004 c. 12. Section 227G was inserted by paragraph 65 of Part 4 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30).

(c) Paragraph 4A was inserted by paragraph 57 of Part 3 of Schedule 1 to the Taxation of Pensions Act 2014.

(d) 2003 c. 1. Section 636A was inserted by paragraph 11 of Schedule 31 to the Finance Act 2004 and has been amended by paragraph 28 of Schedule 19 and Part 3(1) of Schedule 27 to the Finance Act 2007 (c. 11), paragraph 42 of Schedule 16 to the Finance Act 2011 (c. 11), paragraph 5(3) of Schedule 5 to the Finance Act 2014 (c. 26), paragraphs 31 and 62 of Schedule 1 and paragraph 19 of Schedule 2 to the Taxation of Pensions Act 2014 and section 22 of the Finance Act 2015 (c. 33) and regulation 5 of S.I. 2006/569. Section 636A(4) was substituted and section 636A(4ZA) was inserted by section 22 of the Finance (No. 2) Act 2015. “ITEPA” is defined in regulation 2 of the principal Regulations as meaning the Income Tax (Earnings and Pensions) Act 2003.

includes a pensioner). These Regulations amend Schedule A1 by inserting new paragraphs 22C and 22D which require pension providers to report the payment of certain pension payments which may be paid as a consequence of the Taxation of Pensions Act 2014 (c. 30) and the Finance (No. 2) Act 2015 (c. 33).

A Tax Information and Impact Note in relation to the new reporting requirements introduced by this instrument was published on 8th August 2014 and updated on 10th December 2014 and is available at <http://www.gov.uk/government/collections/tax-information-and-impact-notes-tinns>. It remains an accurate summary of the impacts that apply to this instrument. A Tax Information and Impact Note in relation to the lump sum death benefits changes was published on 8th July and is available at <http://www.gov.uk/government/publications/taxation-of-lump-sum-death-benefits>. It remains an accurate summary of the impacts that apply to this instrument. A Tax Information and Impact Note has not been prepared in respect of the amendments made by regulations 3 and 4 as they contain no substantive changes to tax policy.

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