
STATUTORY INSTRUMENTS

2006 No. 745

**The Taxation of Pension Schemes
(Consequential Amendments) Order 2006**

PART 2

Consequential Amendments to Secondary Legislation

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

27.—(1) The Income Tax (Pay As You Earn) Regulations are amended as follows.

(2) In regulation 3(2) of the Income Tax (Pay As You Earn) Regulations 2003 (net PAYE income)(**1**) for the definition of “allowable pension contributions” substitute—

“allowable pension contributions“ means any contribution under a registered pension scheme which is withheld from the payment of PAYE income which is allowed to be deducted from employment income by the sponsoring employer under section 193(2) of the Finance Act 2004 (relief under net pay arrangements);

“registered pension scheme” and “sponsoring employer” have the meanings given by section 150(2) and (6) respectively, of the Finance Act 2004.”.

(3) In regulation 15(3)(c) for “section 592(7) or 594(1) of ICTA (exempt approved schemes and exempt statutory schemes)(**2**).” substitute “sections 188 to 195 of the Finance Act 2004 (members' contributions)(**3**).”.

(1) S.I.2003/2682.

(2) 1988 c. 1. Sections 592 and 594 were repealed by Part 3 of Schedule 42 to the 2004 Act.

(3) 2004 c. 12. Section 189 was amended by paragraph 645 of Schedule 1 to the Income Tax (Trading and Other Income) Act 2005 c. 5.