STATUTORY INSTRUMENTS

2006 No. 745

The Taxation of Pension Schemes (Consequential Amendments) Order 2006

PART 1

Consequential Amendments to Primary Legislation

Amendment of the Pension Schemes Act 1993

7.—(1) The Pension Schemes Act 1993(**1**) is amended as follows.

(2) In section 9(5A) (requirements for certification of schemes: general)(**2**) for paragraphs (a) and (b) substitute "is a registered pension scheme under section 153 of the Finance Act 2004".

(3) In section 28(8) (ways of giving effect to protected rights)(**3**) in the definition of "the termination date" omit the words after "arrangement,".

(4) In section 28A (requirements for interim arrangements)(**4**)—

(a) in subsection (1) at the end insert "but the member, widow, widower or surviving civil partner may forbear to receive such payments";

(b) in subsection (2) omit the words after "partner";

(c) in subsection (3) for the words after "months" substitute

"("the aggregate payment") must not be greater than—

(a) the amount specified by pension rule 5 in subsection (1) of section 165 of the Finance Act 2004 (pension rules) for the unsecured pension year which ends in that period of twelve months, where the member has not reached the age of 75,

(b) the amount specified by pension rule 7 in that subsection for the alternatively secured pension year which ends in that period of twelve months, where the member has reached the age of 75,

(c) the amount specified by pension death benefit rule 4 in subsection (1) of section 167 of the Finance Act 2004 (pension death benefit rules) for the unsecured pension year which ends in that period of twelve months, where subsection (2) applies and the member's widow, widower or surviving civil partner has not reached the age of 75, or

(d) the amount specified by pension death benefit rule 6 in that subsection for the alternatively secured pension year, where subsection (2) applies and the member's widow, widower or surviving civil partner has reached the age of 75.

This is subject to subsection (3A).";

(**1**) 1993 c. 48.
(**2**) Subsection (5A) was inserted by section 283 of the Pensions Act 2004 (c. 35).
(**3**) Section 28(8) was amended by article 2(1) of, and paragraph 9(c)(ii) of Schedule 9 to, S.I.2005/2050.
(**4**) Section 28A was inserted by section 143 of the Pensions Act 1995 (c. 26) and amended by articles 1(2)(c) and (3) and 2(1) of and paragraph 10 of Schedule 1 to S.I. 2005/2050.

(d) after subsection (3) insert—

"(3A) The proportion of the aggregate payment which gives effect to a person's protected rights must not be greater than the proportion of the value of the rights to money purchase benefits under the scheme that is attributable to the protected rights."; and

(e) omit subsections (4) and (5).

(5) In section 33 (tax requirements to prevail over certification requirements) for "a scheme must comply if it is to qualify for tax-exemption or tax-approval" substitute "a registered scheme must comply under Part 4 of the Finance Act 2004".

(6) In section 163 (exemption of certain schemes from rule against perpetuities)—

(a) for subsection (4)(b) substitute—

"(b) to be a registered pension scheme under section 153 of the Finance Act 2004 or to be a scheme that may be expected to satisfy the conditions for registration."; and

(b) omit subsection (5).

(7) In section 181(1) (general interpretation) omit the definitions of "tax-exemption" and "tax-approval".