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STATUTORY INSTRUMENTS

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**2006 No. 745**

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

**PART 2**

**Consequential Amendments to Secondary Legislation**

**Amendment of the Income Tax (Building Societies) (Dividends and Interest) Regulations 1990**

**20.**—(1) The Income Tax (Building Societies) (Dividends and Interest) Regulations 1990<sup>(1)</sup> are amended as follows.

(2) In regulation 4(1) (gross payments)—

(a) for sub-paragraph (f) substitute—

“(f) a payment to a registered pension scheme within the meaning of section 150(2) of the Finance Act 2004;”;

(b) omit sub-paragraph (k).

**Amendment of the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996**

**21.**—(1) The Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996<sup>(2)</sup> are amended as follows.

(2) Omit regulation 7.

(3) In regulation 13(2)(a)(i) (death before giving effect to protected rights: interim arrangements for widow, widower or surviving civil partner)—

(a) for “(5)” substitute “(3A)”;

(b) omit “and regulations made under those subsections”.

**Amendment of the Manufactured Payments and Transfer of Securities (Tax Relief) Regulations 1995**

**22.**—(1) The Manufactured Payments and Transfer of Securities (Tax Relief) Regulations 1995<sup>(3)</sup> are amended as follows.

(2) In regulation 3(1)—

(a) in sub-paragraph (a)—

(i) for “a scheme” substitute “a pension scheme”;

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<sup>(1)</sup> S.I. 1990/2231. Sub-paragraph (f) was previously substituted by regulation 3(a) of S.I. 1994/296.

<sup>(2)</sup> S.I. 1996/1537

<sup>(3)</sup> S.I. 1995/3036.

- (ii) for “592(2) or 643(2) of the Taxes Act” substitute “186(1) of the Finance Act 2004”; and
- (b) in sub-paragraph (b) for the words following “section” substitute “613(4)(a) or 614(2), (3) or (4) of the Taxes Act,”.
- (3) In regulation 4(1)—
  - (a) in sub-paragraph (a)—
    - (i) for “a scheme” substitute “a pension scheme”; and
    - (ii) for “592(2) or 643(2) of the Taxes Act” substitute “186(1) of the Finance Act 2004”; and
  - (b) in sub-paragraph (b) for the words following “section” substitute “613(4)(a) or 614(2), (3) or (4) of the Taxes Act,”.

### **Amendment of the Income Tax (Pension Funds Pooling Schemes) Regulations 1996**

**23.**—(1) The Income Tax (Pension Funds Pooling Schemes) Regulations 1996(4) are amended as follows.

- (2) In regulation 2 (interpretation)—
  - (a) in paragraph (1)—
    - (i) in the definition of “employee” and “employer” substitute—
      - ““employee” and “employer” have the meaning given in section 279(1) of the Finance Act 2004;”;
    - (ii) for the definition of “overseas scheme” substitute—
      - ““recognised overseas pension scheme” has the meaning given in section 150(8) of the 2004 Act;”;
    - (iii) omit the definitions of “retirement benefits scheme” and “scheme”;
    - (iv) after the definition of “pension funds pooling scheme” insert—
      - ““registered pension scheme” in section 150(2) of the 2004 Act, (for the purpose of these Regulations), must also be an “occupational pension scheme” within the meaning of section 150(5) of that Act;”;
    - (v) after the definition of “pension funds pooling scheme” insert—
      - ““pension scheme” has the meaning given by section 150(1) of the 2004 Act;”;
      - and
    - (vi) after the definition of “1992 Act” insert—
      - ““2004 Act” means the Finance Act 2004.”;
  - (b) omit paragraph (2); and
  - (c) in paragraphs (4)(5) and (5) for “an exempt approved scheme” wherever it appears substitute “a registered pension scheme”.

(3) In regulations 2(4), 2(5)(c), 4(3)(a)(iii) (description of a pension funds pooling scheme), 9(4)(b) (duties of trustee of a pension funds pooling scheme—participants ceasing to be eligible to participate), 9(5)(d)(ii), 9(7), 11(3) (duties of trustee of a pension funds pooling scheme—annual provision of information), 11(4), 11(5) and 11(5)(b) for “an overseas scheme” wherever those words appear substitute “a recognised overseas pension scheme”.

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(4) S.I. 1996/1585.

(5) Regulation 2(4) was amended by article 145(3) of S.I. 2001/3629.

(4) In regulation 4(3)(a)(i) (description of a pension funds pooling scheme) for “an exempt approved scheme” substitute “a registered pension scheme”.

(5) In regulation 7 (approval of participants)—

(a) in paragraph (1) omit “or (4)”;

(b) in paragraph (2) for “an exempt approved scheme” substitute “a registered pension scheme”;

(c) in paragraph (3)—

(i) for the words “an overseas scheme other than a scheme falling within paragraph (4) below” substitute “a recognised overseas pension scheme”;

(ii) for sub-paragraphs (f) and (g) substitute—

“(f) either—

(i) evidence demonstrating that the scheme fulfils the requirements set out in regulations 2 and 3 of the Pension Schemes (Categories of Country and Requirements for Overseas Pension Schemes and Recognised Overseas Pension Schemes) Regulations 2006<sup>(6)</sup>; or

(ii) in respect of information which has already been provided in accordance with section 169 of the Finance Act 2004 (recognised transfers)<sup>(7)</sup> to an officer of Her Majesty’s Revenue and Customs, notification of any reference used by an officer of Her Majesty’s Revenue and Customs in respect of that information;” and

(iii) omit sub-paragraphs (h) to (o);

(d) omit paragraph (4); and

(e) for paragraph (6)(b) substitute—

“(b) in the case of a superannuation fund which is before the Board for the purposes referred to in regulation 2(3)(b).”.

(6) In regulation 9—

(a) in paragraphs (2), (4)(a), (5)(b), (5)(d)(i), (12) and 11(2) and (5) for “an exempt approved scheme” wherever those words appear substitute “a registered pension scheme”; and

(b) in paragraph (7) omit the words “(whether or not the participant is an overseas scheme to which regulation 7(4) applies)”.

(7) In regulation 11(3)(b) and (4)(a) for “(g) and, where the scheme is not one to which regulation 7(4) applies, sub-paragraphs (h) to (o)” substitute “(f)”.

### **Amendment of the Personal and Occupational Pension Schemes (Protected Rights) Regulations (Northern Ireland) 1997**

**24.**—(1) The Personal and Occupational Pension Schemes (Protected Rights) Regulations (Northern Ireland) 1997<sup>(8)</sup> are amended as follows.

(2) Omit regulation 7.

(3) In regulation 13(2)(a)(i) (death before giving effect to protected rights: interim arrangements for widow, widower or surviving civil partner)—

(a) for “(5)” substitute “(3A)”; and

(b) omit “and regulations made under those subsections”.

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<sup>(6)</sup> S.I. 2006/206.

<sup>(7)</sup> Section 169 is amended by paragraphs 1 and 36 of Schedule 1 in section 101 of the Finance Act 2005 (c. 7).

<sup>(8)</sup> S.R. 1997/56

### **Amendment of the Education (Student Loans) (Repayment) Regulations 2000**

**25.**—(1) The Education (Student Loans) (Repayment) Regulations 2000<sup>(9)</sup> are amended as follows.

- (2) In regulation 15 (time for and amount of repayments)—
- (a) in paragraph 5(f) after “(pension schemes, social security benefits, life annuities etc.)” add “or Part 4 of the Finance Act 2004 (pension schemes etc.)”; and
  - (b) in paragraph (6)—
    - (i) at the end of sub-paragraph (f) add “and”; and
    - (ii) omit sub-paragraphs (h) and (i).

### **Amendment of the Tax Credits (Definitions and Calculation of Income) Regulations 2002**

**26.**—(1) The Tax Credits (Definition and Calculation of Income) Regulations 2002<sup>(10)</sup> are amended as follows.

- (2) In regulation 2(2) (interpretation)—
- (a) in the definition of “pension fund holder”—
    - (i) for “personal pension scheme or a retirement annuity contract” substitute “registered pension scheme”; and
    - (ii) omit “or contract” at the end;
  - (b) omit the definition of “personal pension scheme”;
  - (c) after the definition of “qualifying young person” insert—
 

“registered pension scheme” has the meaning given by section 150(2) of the Finance Act 2004;”;
  - (d) omit the definitions of “retirement annuity contract” and “retirement benefits scheme”.
- (3) In regulation 3(7) (calculation of income of claimant)<sup>(11)</sup>—
- (a) at the end of sub-paragraph (b) add “and”;
  - (b) for sub-paragraph (c) substitute—
 

“(c) the amount of any contribution made by the claimant, or in the case of a joint claim, by either or both of the claimants to a registered pension scheme together with the amount of any tax relief due on those contributions.”; and
  - (c) omit sub-paragraph (d).
- (4) In regulation 5(1) (pension income)—
- (a) for sub-paragraphs (d) and (e) substitute—
    - “(d) any pension, annuity or income withdrawal to which section 579A<sup>(12)</sup> of ITEPA applies;
    - (e) any unauthorised member payments to which section 208(2)(a) or (b) of the Finance Act 2004 applies;”;
  - (b) omit sub-paragraphs (g), (h), (i) and (j);
  - (c) for sub-paragraph (k) substitute—

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<sup>(9)</sup> S.I. 2000/944.

<sup>(10)</sup> S.I. 2002/2006.

<sup>(11)</sup> Regulation 3(7)(c) was amended by regulation 5(7)(d) of S.I. 2003/732 and by regulation 4(4)(b) of S.I. 2003/2815.

<sup>(12)</sup> 2003 c. 1. Section 579A was inserted by paragraph 6 of Schedule 31 to the Finance Act 2004 (c. 12: “the 2004 Act”).

- “(k) any annuity paid under a retirement annuity contract to which Chapter 9 of Part 9 of ITEPA(13) applies;”;
- (d) in Table 2, in item 10, for “section 637 of ITEPA” substitute “section 636A(14) of ITEPA”.

### **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)(15) 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)(16).” substitute “sections 188 to 195 of the Finance Act 2004 (members' contributions)(17).”.

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(13) Part 9 was repealed by paragraph 7 of Schedule 31 to the 2004 Act subject to the savings in paragraph 43 of Schedule 36 to that Act.

(14) Section 636A was inserted by paragraph 11 of Schedule 31 to the 2004 Act.

(15) S.I. 2003/2682.

(16) 1988 c. 1. Sections 592 and 594 were repealed by Part 3 of Schedule 42 to the 2004 Act.

(17) 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.