
STATUTORY INSTRUMENTS

2007 No. 838

INCOME TAX

The Registered Pension Schemes (Block Transfers) (Permitted Membership Period) (Amendment) Regulations 2007

<i>Made</i>	- - - -	<i>14th March 2007</i>
<i>Laid before the House of Commons</i>	- - - -	<i>15th March 2007</i>
<i>Coming into force</i>	- -	<i>6th April 2007</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by paragraph 22(6)(b) of Schedule 36 to the Finance Act 2004(1), and now exercisable by them(2).

Citation and commencement

1. These Regulations may be cited as the Registered Pension Schemes (Block Transfers) (Permitted Membership Period) (Amendment) Regulations 2007 and shall come into force on 6th April 2007.

Amendments to the Registered Pension Schemes (Block Transfers) (Permitted Membership Period) Regulations 2006

2.—(1) Regulation 2 of the Registered Pension Schemes (Block Transfers) (Permitted Membership Period) Regulations 2006(3) is amended as follows.

(2) In paragraph (1) at the end insert “(“the prescribed period”)”.

(3) For paragraph (2) substitute—

“(2) But in calculating the prescribed period, any period preceding the period of twelve months ending with the date on which the transfer is made is ignored if conditions A and B are met.”.

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- (1) [2004 c. 12](#). Paragraph 22(6)(b) of Schedule 36 was substituted by paragraph 55(4) 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(2) of the Commissioners for Revenue and Customs Act [2005 \(c. 11\)](#). Section 50 of that Act provides that in so far as it is appropriate in consequence of section 5 a reference, however expressed, to the Commissioners of Inland Revenue is to be read as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (3) [S.I. 2006/498](#).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

14th March 2007

Mike Hanson
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Two of the Commissioners for Her Majesty's
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EXPLANATORY NOTE

(This note is not part of the Regulations)

Part 4 of the Finance Act 2004 (c. 12) makes new provision for pension schemes on and after 6th April 2006. Schedule 36 to the Act, which falls within Part 4, contains transitional provisions and savings, designed to protect rights which existed before 6th April 2006. The general principles are that rights are protected in the scheme under which they were held on 5th April 2006, and that protection is lost if the individual's rights are transferred out of the scheme on or after 6th April 2006; but some protection may be retained if, on or after 6th April 2006, an individual's rights are transferred out of the original pension scheme as part of a block transfer.

The meaning of the expression "block transfer" is dealt with in paragraph 22(6) of Schedule 36, as amended by paragraph 55(4) of Schedule 10 to the Finance Act 2005 (c. 11). As amended, paragraph (b) of paragraph 22(6) provides that one of the characteristics of a block transfer is either that the member was not a member of the pension scheme to which the transfer is made before the transfer or (alternatively) that the member has been a member of the pension scheme to which the transfer is made for no longer than the period prescribed in regulations.

The Registered Pension Schemes (Block Transfers) (Permitted Membership Period) Regulations 2006 (S.I. 2006/498) provide that the period in question is to be a period of twelve months ending with the date on which the transfer is made; but provides for an exception where the member was a member of a personal pension scheme and that membership related solely to contracted out rights. In these circumstances, any period before 6th April 2006 is ignored in calculating the twelve month period.

These Regulations amend regulation 2(2) of those Regulations by providing that, in calculating the twelve month period, any period preceding the period of twelve months ending with the date on which the transfer is made is ignored.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.