
STATUTORY INSTRUMENTS

2006 No. 569

INCOME TAX

**The Registered Pension Schemes
(Splitting of Schemes) Regulations 2006**

<i>Made</i>	- - - -	<i>9th March 2006</i>
<i>Laid before the House of Commons</i>	- - - -	<i>10th March 2006</i>
<i>Coming into force</i>	- -	<i>6th April 2006</i>

The Commissioners for Her Majesty's Revenue and Customs, in exercise of the powers conferred by section 274A of the Finance Act 2004⁽¹⁾, and now exercisable by them⁽²⁾ make the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Registered Pension Schemes (Splitting of Schemes) Regulations 2006 and shall come into force on 6th April 2006.

(2) In these Regulations—

“group of employers” means two or more employers who are formally or informally linked to each other by reasons of common management, shareholding, staff or close business interests;

“HMRC” means the Commissioners for Her Majesty's Revenue and Customs;

“split scheme” means a registered pension scheme that is being treated, in accordance with regulation 2, as having been split into two or more sub-schemes;

“sub-scheme” means a scheme which forms part of a split scheme and which is being treated as a separate pension scheme under and for the purposes set out in these regulations;

“split scheme administrator” means a scheme administrator of a split scheme;

“sub-scheme administrator” means the scheme administrator of a sub-scheme appointed in accordance with the rules of the split scheme to be responsible for the discharge of the functions conferred or imposed on the sub-scheme administrator by or under these Regulations;

“section” without more, means a section of the Finance Act 2004;

(1) 2004 c. 12. Section 274A was inserted by paragraph 50 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(1) of that Act provides that a reference to the Commissioners of Inland Revenue (however expressed) shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

“schedule” without more, means a schedule to the Finance Act 2004.

Description of schemes to be split

2.—(1) The following registered pension schemes shall be treated as split schemes for the purposes of these Regulations—

- (a) the registered pension schemes listed in Schedule 1;
- (b) a registered pension scheme which meets the conditions in paragraph (5);
- (c) a successor scheme to any of the above schemes.

(2) A successor scheme is a registered pension scheme established to take over some or all of the rights and obligations of a split scheme.

(3) The scheme administrator of a successor scheme shall notify HMRC of any sub-schemes in respect of which he is assuming responsibility immediately following registration of the successor scheme.

The notification shall—

- (a) be in a form specified by HMRC, and;
- (b) contain any information reasonably required by HMRC.

(4) Schedule 2 lists the schemes which, at the coming into force of these Regulations, are to be treated as sub-schemes of the split schemes referred to in sub-paragraph (1).

(5) The conditions referred to in sub-paragraph (1)(b) are as follows.

Condition A

The pension scheme falls within Paragraph 1(1)(a) or (c) of Schedule 36 to the Finance Act 2004.

Condition B

The pension scheme provides benefits to or for the benefit of the employees of two or more employers.

Condition C

The rules of the pension scheme as at 28th February 2006 provided for the establishment of separate schemes for each of the participating employers or group of employers and for the administration of such schemes to be carried out by separate scheme administrators.

(6) A successor sub-scheme is a scheme established to take over some or all of the rights and obligations of a sub-scheme.

(7) The scheme administrator of a successor sub-scheme shall notify HMRC immediately following his assumption of liability of the successor sub-scheme.

The notification shall—

- (a) be in a form specified by HMRC, and
- (b) contain any information reasonably required, including the name and address of the scheme administrator.

Responsibilities and liabilities of sub-scheme administrators

3.—(1) The sub-scheme administrator of a sub-scheme shall assume the liabilities and responsibilities set out in Schedule 3 to these Regulations in relation to that scheme.

(2) In the provisions referred to in that Schedule any reference to the scheme administrator shall be read as a reference to the sub-scheme administrator.

(3) The split scheme administrator shall cease to have responsibility or liability in relation to the matters referred to in paragraph (1) in respect of the sub-scheme.

(4) The provisions of section 270(2) and (3) (meaning of “scheme administrator”) apply to the sub-scheme administrator and the references to the scheme administrator in those subsections shall be read as references to the sub-scheme administrator).

(5) Section 272 (trustees etc. liable as scheme administrator) applies to sub-scheme administrators with the following modifications—

- (a) in subsection (1) “ for “registered pension scheme”; substitute “sub-scheme”;
- (b) in subsections (1)(a) to (c), (2)(a) and (b) for “scheme administrator” (in each place) substitute “sub-scheme administrator”;
- (c) in subsections (1)(a) to (c) and (2), (3) and (5) for “pension scheme” (in each place) substitute “sub-scheme”;
- (d) in subsection (2)—
 - (i) in paragraph (a) after “by virtue of this Part” insert “as applied by regulation 3 of the Registered Pensions (Splitting of Schemes) Regulations 2006”; and
 - (ii) in paragraph (b) after “by or under this Part.” insert “as applied by the Registered Pensions (Splitting of Schemes) Regulations 2006”; and
- (e) in subsection (4) for “pension scheme” substitute “sub-scheme”.

(6) Section 273 (members liable as scheme administrator) applies to members of a sub-scheme with the following modifications—

- (a) in subsection (1) for “registered pension scheme” substitute “sub-scheme”;
- (b) in subsections (1)(a) and (b) for “pension scheme” substitute “sub-scheme”;
- (c) in subsection (1)(a) after “(trustees, etc.)” add “(as modified by regulation 3 of the Registered Pensions (Splitting of Schemes) Regulations 2006)”;
- (d) in subsection (1)(b) omit the words “or section 242 (de-registration charge)”;
- (e) in subsections (2) and (4) for “pension scheme” substitute “sub-scheme”;
- (f) in subsection (5)(a) for “the pension scheme” substitute “the split scheme”;
- (g) in subsections (5)(b) and (d) for “the pension scheme” substitute “the sub-scheme”;
- (h) in subsection (5)(c) after the words “that the pension scheme was” add “part of”;
- (i) in subsection (10) for “the pension scheme” substitute “the sub-scheme”.

(7) Section 274(2) (supplementary) applies to sub-scheme administrators with the following modifications—

- (a) for “scheme administrator” substitute “sub-scheme administrator”; and
- (b) for “registered pension scheme” substitute “sub-scheme”.

4.—(1) Section 209(5) (unauthorised payments surcharge) shall be modified as follows.

- (a) in paragraph (b) delete “and”;
- (b) in paragraph (c) after “the scheme administrator” add “and”;
- (c) after paragraph (c) add—
 - “(d) the sub-scheme administrator.”.

5.—(1) Paragraph 11 of Schedule 31 (insertion of chapter 15A into ITEPA 2003) shall be modified as follows.

(2) After subsection (4) of the inserted section 636A insert—

“(4A) In the case of a registered pension scheme which is a split scheme for the purposes of the Registered Pensions Schemes (Splitting of Schemes) Regulations 2006, subsections (3) and (4) shall have effect as if the references to the scheme administrator were to the sub-scheme administrator (within the meaning of those Regulations).”.

(3) Paragraph 1 of Schedule 35 (consequential amendments to the Taxes Management Act 1970) shall be modified as follows.

(a) in the substitution to section 9(1A) of the Taxes Management Act 1970, in sub-paragraph (a) delete “or”; and

(b) after sub-paragraph (a) add—

“(ab) is chargeable on the sub-scheme administrator of a sub-scheme under Part 4 of the Finance Act 2004 as modified by the Registered Pensions (Splitting of Schemes) Regulations 2006, or”

(4) Paragraph 16 of Schedule 35 (consequential amendments to section 349B(3) of ICTA) shall be modified as follows.

(5) After the substituted sub-paragraph (i) add—

“(ia) the sub-scheme administrator of a sub-scheme which forms part of a split scheme pursuant to the Registered Pensions (Splitting of Schemes) Regulations 2006;”

(6) Paragraph 33 of Schedule 35 (consequential amendments to section 824(9) of ICTA) shall be modified as follows.

(7) After the insertion of the words “scheme administrators of registered pension schemes” add—

“sub-scheme administrators of sub-schemes which form part of a split scheme pursuant to the Registered Pensions (Splitting of Schemes) Regulations 2006”.

David Varney

Paul Gray

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

9th March 2006

SCHEDULE 1

Regulation 2(1)(a)

Schemes to be treated as split schemes pursuant to regulation 2(1)(a)

<i>Name of Scheme</i>	<i>Enabling legislation</i>	<i>Governing regulations</i>
Police Pension Scheme	s 1-8 Police Pensions Act 1982	The Police Pensions Regulations 1987 (SI 1987 No.257) as amended
Firefighters Pension Scheme	s.26 Fire Services Act 1947 and s.34 Fire and Rescue Services Act 2004	The Firemen's Pension Scheme Order 1992 SI 1992 No.129 as amended
Local Government Pension Scheme	s.7 and s.12 Superannuation Act 1972	The Local Government Pension Scheme Regulations 1997 SI 1997 No.1612 as amended
Local Government Pension Scheme (Scotland)	s.7 and s.12 Superannuation Act 1972	The Local Government Pension Scheme (Scotland) Regulations 1998 SI 1998 No.366 (S.14) as amended
Electricity Supply Pension Scheme		

SCHEDULE 2

Regulation 2(4)

Schemes to be treated as sub-schemes pursuant to regulation 2(4)

<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
Metropolitan Police Authority	Police Pension Scheme
Norfolk Police Authority	
North Yorkshire Police Authority	
North Wales Police Authority	
Northamptonshire Police Authority	
Northumbria Police Authority	
Nottinghamshire Police Authority	
South Wales Police Authority	
South Yorkshire Police Authority	
Staffordshire Police Authority	
Suffolk Police Authority	

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<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
Surrey Police Authority	
Sussex Police	
Thames Valley Police Authority	
Warwickshire Police Authority	
West Mercia Police Authority	
West Midlands Police Authority	
West Yorkshire Police Authority	
Wiltshire Police Authority	
Central Scotland Joint Police Board	
Dumfries & Galloway Police Authority	
Fife Police Authority	
Grampian Joint Police Board	
Lothian and Borders Police Board	
Northern Joint Police Board	
Strathclyde Joint Police Fire Board	
Tayside Joint Police Board	
Avon Fire Authority	Firefighters Pension Scheme
Bedfordshire and Luton Combined Fire Authority	
Buckinghamshire and Milton Keynes Fire Authority	
Cambridgeshire and Peterborough Fire Authority	
Cheshire Fire Authority	
Cleveland Fire Authority	
Cornwall Fire Authority	
County Durham and Darlington Fire and Rescue Authority	

<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
Cumbria Fire Authority	
Derbyshire Fire Authority	
Devon Fire Authority	
Dorset Fire Authority	
East Sussex Fire Authority	
Essex Fire Authority	
Gloucestershire Fire Authority	
Greater Manchester Fire and Civil Defence Authority	
Hampshire Fire and Rescue Authority	
Hereford and Worcester Combined Fire Authority	
Hertfordshire Fire Authority	
Humberside Fire Authority	
Isle of Wight Fire Authority	
Kent and Medway Towns Fire Authority	
Lancashire Combined Fire Authority	
Leicester, Leicestershire and Rutland Combined Fire Authority	
Lincolnshire Fire Authority	
London Fire and Emergency Planning Authority	
Merseyside Fire and Civil Defence Authority	
Mid and West Wales Fire Authority	
Norfolk Fire Authority	
North Wales Fire Authority	
North Yorkshire Fire and Rescue Authority	
Northamptonshire Fire Authority	

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<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
Northumberland Fire Authority	
Nottinghamshire and City of Nottingham Fire Authority	
Oxfordshire Fire Authority	
Royal Berkshire Fire Authority	
Shropshire and Wrekin Fire Authority	
Somerset Fire Authority	
South Wales Fire Authority	
South Yorkshire Fire and Civil Defence Authority	
Stoke on Trent and Staffordshire Fire Authority	
Suffolk Fire Authority	
Surrey Fire Authority	
Tyne & Wear Fire and Civil Defence Authority	
Warwickshire Fire Authority	
West Midlands Fire and Civil Defence Authority	
West Sussex Fire Authority	
West Yorkshire Fire and Civil Defence Authority	
Wiltshire and Swindon Fire Authority	
Dumfries & Galloway Fire and Rescue Authority	
Highland and Islands Fire Board	
Grampian Fire Board	
Lothian and Borders Fire Board	
Central Scotland Fire Board	
Fife Fire and Rescue Authority	
Strathclyde Fire Board	

<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
Tayside Fire Board	
Bath & North East Somerset Council	Local Government Pension Scheme
Bedfordshire County Council	
Buckinghamshire County Council	
Cambridgeshire County Council	
Carmarthenshire County Council	
Cheshire County Council	
City and County of Cardiff Council	
City and County of Swansea	
City of London	
City of Bradford Metropolitan District Council	
Cornwall County Council	
Cumbria County Council	
Derbyshire County Council	
Devon County Council	
Dorset County Council	
Durham County Council	
East Riding of Yorkshire Council	
East Sussex County Council	
Environment Agency	
Essex County Council	
Flintshire County Council	
Gloucestershire County Council	
Gwynedd Council	
Hampshire County Council	
Hertfordshire County Council	

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<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
Isle of Wight Council	
Kent County Council	
Lancashire County Council	
Leicestershire County Council	
Lincolnshire County Council	
London Borough of Barking and Dagenham	
London Borough of Barnet	
London Borough of Bexley	
London Borough of Brent	
London Borough of Bromley	
London Borough of Camden	
London Borough of Croydon	
London Borough of Ealing	
London Borough of Enfield	
London Borough of Greenwich	
London Borough of Hackney	
London Borough of Hammersmith and Fulham	
London Borough of Haringey	
London Borough of Harrow	
London Borough of Havering	
London Borough of Hillingdon	
London Borough of Hounslow	
London Borough of Islington	
London Borough of Lambeth	
London Borough of Lewisham	
London Borough of Merton	

<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
London Borough of Newham	
London Borough of Redbridge	
London Borough of Richmond Upon Thames	
London Borough of Southwark	
London Borough of Sutton	
London Borough of Tower Hamlets	
London Borough of Waltham Forest	
London Borough of Wandsworth	
London Pensions Fund Authority	
Middlesbrough Borough Council	
Norfolk County Council	
North Yorkshire County Council	
Northamptonshire County Council	
Northumberland County Council	
Nottinghamshire County Council	
Oxfordshire County Council	
Powys County Council	
Rhondda-Cynon-Taff County Borough Council	
Royal Borough of Kensington & Chelsea	
Royal Borough of Kingston Upon Thames	
Royal Borough of Windsor and Maidenhead	
Shropshire County Council	
Somerset County Council	
South Tyneside Metropolitan Borough Council	
South Yorkshire Pensions Authority	
Staffordshire County Council	

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<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
Suffolk County Council	
Surrey County Council	
Tameside Metropolitan Borough Council	
Torfaen County Borough Council	
Warwickshire County Council	
Westminster City Council	
West Sussex County Council	
Wiltshire County Council	
Wirral District Council	
Wolverhampton City Council	
Worcestershire County Council	
Aberdeen City Council	Local Government Pension Scheme (Scotland)
The City of Edinburgh Council	
The City of Glasgow Council	
Dumfries & Galloway Council	
Dundee City Council	
Falkirk Council	
Fife Council	
The Highland Council	
Orkney Islands Council	
Scottish Borders Council	
Shetland Islands Council	
Alfred McAlpine Group	Electricity Supply Pension Scheme
Areva Group	
British Energy Combined Group	
British Energy Generation Group	
Drax Power Group	

<i>Name of sub-scheme</i>	<i>Split scheme to which it relates</i>
EA Technology Group	
EDF Energy Group	
Electricity Association Services Group	
E.ON UK Group	
First Hydro Group	
International Power Group	
Keadby Generation Group	
Magnox Electric Group	
Manweb Group	
National Grid Electricity Group	
Northern Electric Group	
RWE npower Group	
Southern Electric Group	
United Utilities Group	
Western Power Distribution Group	

SCHEDULE 3

Regulation 3

Responsibilities and liabilities of sub-scheme administrators in respect of a sub-scheme

PART 1

Finance Act 2004

<i>Statutory Reference</i>	<i>Subject-matter</i>
Liabilities	
Section 205	Short service refund lump sum charge
Section 206	Special lump sum death benefit s charge
Section 207	Authorised surplus payments charge
Section 215(9)	Lifetime allowance charge – amount of charge
Section 217	Lifetime allowance charge (joint & several with the individual)

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<i>Statutory Reference</i>	<i>Subject-matter</i>
Section 227(3)	Annual allowance charge
Section 238(3) and (4)	Pension input period
Section 239	Scheme sanction charge
Information	
Section 250(1)	To make and deliver a registered pension scheme return
Section 254	Accounting for tax by scheme administrators
Interest and penalties	
Section 257	Penalty for failure to comply with a S250 notice.
Section 258(1)	Penalty for failure to provide information within S251(1)(a)
Section 258(2)	Penalty for failure to comply with regulations within S251(1)(b)
Section 259(1)	Penalty for failure to comply with a notice under S252
Section 260(1), (4) and (6)	Penalties for failure to make a return within S254
Section 265(3)	Penalty for winding up a scheme to obtain a winding up lump sum
Section 266(2)	Penalty for transfers to “non” insured schemes (unauthorised transfer)
Section 266B	Scheme liability (inserted by Paragraph 4 Schedule 10 FA 05)
Section 267	Discharge of lifetime allowance charge in the case of good faith.
Section 268	Unauthorised payment surcharge & scheme sanction charge
Scheme administrator	
Section 271	Liability of a scheme administrator
Section 272	Trustees etc. liable as scheme administrator
Section 273	Members liable as scheme administrator
Section 274	Supplementary provisions
Paragraph 1 of Schedule 28	Scheme administrator to receive evidence of member’s ill health.
Paragraph 15(2)(b) of Schedule 28	Scheme administrator to agree if a child is a dependant
Paragraph 15(3) of Schedule 28	Scheme administrator to decide whether someone is a dependant.

<i>Statutory Reference</i>	<i>Subject-matter</i>
Paragraph 4(1) of Schedule 29	Scheme administrator to consider evidence of serious ill health
Paragraph 19(1)(d) of Schedule 29	Scheme administrator to nominate arrangement for transfer lump sum benefit.
Paragraph 19(2) (e) of Schedule 29	Scheme administrator to nominate arrangement for transfer lump sum benefit.
Paragraph 9(2) of Schedule 32	Changes to benefit crystallisation event 2
Paragraph 9(3) of Schedule 32	Changes to benefit crystallisation event 2 (inserted by paragraph 43(4) of Schedule 10 to the Finance Act 2005 05).
Paragraph 13(4) and (5) of Schedule 32	Changes to benefit crystallisation event 3 (inserted by paragraph 43(5) of Schedule 10 to the Finance Act 2005)
Paragraph 14(1A) & (1B) of Schedule 32	Changes to benefit crystallisation event 5 (inserted by paragraph 43(7) of Schedule 10 to the Finance Act 2005)
Paragraph 5 of Schedule 34	Exemption for scheme administrator from s.205 & s.206 charges
Paragraph 17 of Schedule 34	Omits reference to scheme administrator in s. 217
Paragraph 4(1), (2) and (3) of Schedule 36	Transitional provisions for deemed registered schemes
Paragraph 6 of Schedule 36	Pre-commencement liability of scheme administrator

PART 2

Secondary Legislation

The Pension Schemes (Discharge of Liabilities under Section 267 and 268 of the Finance Act 2004) Regulations 2005(3)

The Registered Pension Schemes (Relief at Source) Regulations 2005(4)

The Registered Pension Schemes (Minimum Contributions) Regulations 2006(5)

The Registered Pension Schemes (Accounting and Assessment) Regulations 2005(6)

The Registered Pension Schemes and Employer Financed Retirement Benefit Schemes (Information) (Prescribed Description of Person) Regulations 2005(7)

The Registered Pension Schemes (Provision of Information) Regulations 2006(8)

(3) [S.I. 2005/3452.](#)

(4) [S.I. 2005/3488.](#)

(5) [S.I. 2005/3450.](#)

(6) [S.I. 2005/3454.](#)

(7) [S.I. 2005/3455.](#)

(8) [S.I. 2006/567.](#)

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The Registered Pension Schemes (Modification of the Rules of Existing Schemes) Regulations 2006(9)

The Pension Benefits (Insurance Company Liable as Scheme Administrator) Regulations 2006(10)

The Registered Pension Schemes (Meaning of Pension Commencement Lump Sum) Regulations 2006(11)

The Registered Pension Schemes and Overseas Pension Schemes (Electronic Communication of Returns and Information) Regulations 2006(12)

The Taxes Management Act 1970 (Modification of Schedule 3 for Pension Schemes Appeals) Order 2005(13)

The Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006(14)

The Registered Pension Schemes (Unauthorised Payments by Existing Schemes) Regulations 2006(15)

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for certain registered pension schemes to be treated as if they were a number of separate registered pension schemes pursuant to section 274A of the Finance Act 2004 (c. 12) (“the 2004 Act”).

Regulation 1 provides for citation, commencement and interpretation.

Regulation 2 prescribes the pension schemes that shall be treated as separate pension schemes. Paragraph (1) provides that the schemes listed in Schedule 1 together with any successor schemes shall be treated as schemes that have been split into a number of separate schemes (“split schemes”). Paragraph (2) contains a definition of “successor schemes”. Paragraph (3) provides that the scheme administrator of a successor scheme shall notify HMRC of any successor schemes that he is assuming responsibility for. Paragraph (4) provides that Schedule 2 shall list schemes which are being treated as separate schemes for the purpose of the regulations (“sub-schemes”). Paragraph (5) and (6) provide that, in addition to the schemes listed in Schedule 1, schemes which meet the conditions set out shall be treated as split schemes. Paragraph (7) defines a sub successor scheme and Paragraph (8) provides that the scheme administrator of a sub successor scheme shall notify HMRC when he assumes responsibility for such a scheme.

Regulation 3 provides that scheme administrators of sub-schemes shall assume the liabilities and responsibilities set out in schedule 3 and that the scheme administrator of the split scheme shall cease to have responsibility for those matters. Paragraphs (3) to (6) provide that sections 270,272, 273 and 274 of the 2004 Act shall apply to sub-scheme administrators with the amendments set out.

(9) [S.I. 2006/364](#).

(10) [S.I. 2006/136](#).

(11) [S.I. 2006/135](#).

(12) [S.I. 2006/570](#).

(13) [S.I. 2005/3457](#).

(14) [S.I. 2006/499](#).

(15) [S.I. 2006/365](#).

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Regulation 4 contains amendments to section 209 (unauthorised payments surcharge) of the 2004 Act so that the charge can apply to sub-scheme administrators.

These Regulations impose no new costs on business.