
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, Paragraph 39. (See end of Document for details)

SCHEDULES

SCHEDULE 10

PENSION SCHEMES ETC.

Restriction of employers' relief in respect of contributions

39 After section 196 insert—

“196A Power to restrict relief

- (1) The Board of Inland Revenue may make regulations for restricting the extent to which contributions paid by an employer under a registered pension scheme in respect of an individual are subject to relief in circumstances in which subsection (2) or (3) applies (or both do).
- (2) This subsection applies where any of the benefits which will or may be payable to or in respect of the individual under the registered pension scheme will be payable only if relevant benefits expected to be so paid under an employer-financed retirement benefits scheme are not so paid.
- (3) This subsection applies where, because relevant benefits are or may be payable to or in respect of the individual under an employer-financed retirement benefits scheme, the aggregate of the amount of any sums and the market value of any assets—
 - (a) held for the purposes of, or
 - (b) representing accrued rights under,the registered pension scheme which may be transferred by way of a recognised transfer in respect of the individual will or may be less than it otherwise would be.
- (4) The reference in subsection (1) to contributions paid by an employer being subject to relief is to—
 - (a) their being deductible in computing the amount of the profits of the employer for the purposes of Part 2 of ITTOIA 2005 (trading income) or Case I or II of Schedule D,
 - (b) their being expenses of management of the employer for the purposes of section 75 of ICTA (expenses of management: companies with investment business), or
 - (c) their being brought into account at Step 1 in section 76(7) of ICTA (expenses of insurance companies) in respect of the employer,(depending on which is appropriate in relation to the employer).
- (5) In this section—

“employer-financed retirement benefits scheme”, and
“relevant benefits”,

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have the same meaning as in Chapter 2 of Part 6 of ITEPA 2003 (see sections 393A and 393B of that Act).”

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Commencement Information

II Sch. 10 para. 39 in force at 6.4.2006, see Sch. 10 para. 64(1)

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