

1988 No. 1012

INCOME TAX

The Personal Pension Schemes (Minimum Contributions under the Social Security Act 1986) Regulations 1988

<i>Made - - - -</i>	<i>9th June 1988</i>
<i>Laid before the House of Commons</i>	<i>9th June 1988</i>
<i>Coming into force</i>	<i>1st July 1988</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 649(4) of the Income and Corporation Taxes Act 1988(a), hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Personal Pension Schemes (Minimum Contributions under the Social Security Act 1986(b)) Regulations 1988 and shall come into force on 1st July 1988.

Interpretation

2. In these Regulations unless the context otherwise requires—

“the Act” means the Income and Corporation Taxes Act 1988;

“the Board” means the Commissioners of Inland Revenue;

“tax week” means one of the successive periods in a tax year beginning with the first day of that year and every 7th day thereafter; the last day of a tax year (or, in the case of a tax year ending in a leap year, the last 2 days) to be treated accordingly as a separate tax week;

“tax year” means the 12 months beginning with 6th April in any year.

Recovery of any increase attributable to section 649 of the Act by the Secretary of State

3.—(1) The Secretary of State shall recover any increase attributable to section 649 of the Act in sums paid by him out of the National Insurance Fund from moneys advanced to him by the Board for that purpose in accordance with paragraph (2).

(2) The Board shall from time to time, and in amounts and at intervals agreed by them with the Secretary of State, advance moneys to the Secretary of State for the purpose referred to in paragraph (1).

Information

4.—(1) In relation to any tax week in respect of which the Secretary of State pays any minimum contributions for the purposes of approved personal pension arrangements he shall give to the Board the information prescribed in paragraph (2).

- (2) The information prescribed in this paragraph is—
- (a) the identification number of the personal pension scheme in accordance with which the approved personal pension arrangements were made; and
 - (b) in relation to each individual in respect of whom he pays minimum contributions for the purposes of approved personal pension arrangements—
 - (i) his full name and national insurance number,
 - (ii) the tax year in respect of which such contributions were paid,
 - (iii) the amount of the increase in such contributions attributable to section 649 of the Act.

5.—(1) If the Secretary of State discovers that he has paid an amount by way of minimum contributions for the purposes of approved personal pension arrangements which—

- (a) he was not required to pay, or
- (b) he was required to pay but which he paid to other persons than the trustees or managers of the personal pension scheme to whom he should have made the payment,

and which he does not recover, he shall give to the Board the information prescribed in paragraph (2).

- (2) The information prescribed in this paragraph is—
- (a) the full name of the individual in respect of whom he made the payment,
 - (b) his national insurance number,
 - (c) the tax year in respect of which the payment was made,
 - (d) the amount of the increase in the payment attributable to section 649 of the Act, and
 - (e) the identification number of the personal pension scheme to the trustees or managers of which, or the full names and addresses of the other persons to whom, he made the payment.

Recovery of amounts representing basic rate tax

6.—(1) The like provisions as are contained in section 30 of the Taxes Management Act 1970(a) (recovery of overpayment of tax, etc) shall apply in relation to the payment by the Secretary of State of an amount by way of minimum contributions which—

- (a) he was not required to pay, or
- (b) he was required to pay but which he paid to other persons than the trustees or managers of the personal pension scheme to whom he should have made the payment

as if an amount representing income tax at the basic rate on the amount paid had been income tax repaid to the person to, or in respect of, whom the amount was paid to which that person was not entitled.

(2) An assessment made by virtue of this regulation shall be made by the Board and, subject to the provisions of these Regulations, the like provisions as are contained in the Taxes Management Act 1970 shall apply as if the assessment were an assessment to tax for the year of assessment in respect of which the amount was paid.

Northern Ireland

7. In relation to Northern Ireland, these Regulations shall have effect as if—
- (a) references to the Secretary of State were references to the Department of Health and Social Services for Northern Ireland; and
 - (b) references to the National Insurance Fund were references to Northern Ireland National Insurance Fund.

A. J. G. Isaac
T. J. Painter

9th June 1988

Two of the Commissioners of Inland Revenue

(a) 1970 c.9; section 30 was substituted by the Finance Act 1982 (c.39), section 149(1).

EXPLANATORY NOTE

(This note is not part of the Regulations)

Subsection (1) of section 649 of the Income and Corporation Taxes Act 1988 provides that where, under Part I of the Social Security Act 1986, the Secretary of State pays minimum contributions for the purposes of approved personal pension arrangements, the employee's share of those contributions shall, instead of being the amount provided for in that Part, be "the grossed up equivalent" of the amount so provided for; and by subsection (2) of that section "the grossed up equivalent" of such an amount is such sum as, after deduction of income tax at the basic rate for the year of assessment for which the contributions are paid, is equal to that amount.

These Regulations, which come into force on 1st July 1988, provide for the recovery by the Secretary of State from the Commissioners of Inland Revenue ("the Board") of any increase attributable to section 649 of the Income and Corporation Taxes Act 1988 in the sums paid by the Secretary of State out of the National Insurance Fund, require the Secretary of State to give information to the Board and make provisions supplementing section 649.

Regulation 1 provides for citation and commencement and regulation 2 for interpretation.

Regulation 3 provides that the Secretary of State shall recover from the Board any increase attributable to section 649 in the sums paid by him out of the National Insurance Fund from moneys advanced to him by the Board.

Regulations 4 and 5 provide that the Secretary of State shall give to the Board prescribed information.

Regulation 6 provides for the recovery by the Board by assessment of amounts representing income tax at the basic rate on certain amounts paid by the Secretary of State from persons to, or in respect of, whom such amounts were paid.

Regulation 7 provides for the construction of references to the Secretary of State and the National Insurance Fund in relation to Northern Ireland.