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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which have effect as from 14th March 1989—

- (a) prescribe the circumstances in which provisions contained in Part II of Schedule 6 to the Finance Act 1989 (“the Schedule”) (which modify the rules of retirement benefits schemes approved by the Commissioners of Inland Revenue (“the Board”) before 27th July 1989, in relation to employees who, in the case of such schemes which came into existence before 14th March 1989, became members on or after 1st June 1989 or, in the case of other such schemes, became members at any time) are disapplied or are applied with prescribed modifications in relation to certain of those employees;
- (b) authorise the Board to direct as from 14th March 1989 or any later date that the Schedule, or any provision of it, shall not apply in any particular case where in the opinion of the Board the facts are such that its application would not be appropriate.

Regulation 1 provides for the citation, commencement and effect of the Regulations and regulation 2 contains definitions.

Regulation 3 disapplies the modifications of the rules of approved schemes in paragraphs 20 and 22 to 26 of the Schedule in circumstances where the scheme came into existence on or after 14th March 1989 or an employee becomes a member of the scheme on or after 1st June 1989 but the scheme is treated as if it had been in existence as regards an employee, or an employee is considered to have continuity of membership, from before the relevant date.

Regulation 4 disapplies paragraphs 23 and 24 of the Schedule so that in certain circumstances pension benefits can be wholly commuted for a lump sum.

Regulation 5 modifies paragraph 20 of the Schedule so that it does not apply where added years of pensionable service are given following acceptance of a transfer payment, if that paragraph did not apply to service under the scheme making the payment.

Regulation 6 modifies paragraph 21 of the Schedule so as to enable contributions in excess of 15 per cent. of remuneration to be paid to a scheme in the circumstances prescribed.

Regulation 7 modifies paragraph 23 of the Schedule so as to secure that benefits arising under an additional voluntary contribution scheme in respect of an employment may be included in the calculation of the initial pension from that employment for the purposes of that paragraph.

Regulation 8 authorises the Board to make directions.

Authority for the retrospective effect of these Regulations (and of any direction given under regulation 8) is given by paragraph 19(3)(b) of the Schedule.