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STATUTORY INSTRUMENTS

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**1993 No. 3016**

**The Retirement Benefits Schemes (Restriction  
on Discretion to Approve) (Additional  
Voluntary Contributions) Regulations 1993**

**Restrictions on discretion to approve — freestanding additional voluntary contributions schemes**

4.—(1) The Board shall not exercise their discretion under section 591 to approve a retirement benefits scheme which is a freestanding additional voluntary contributions scheme unless the rules of the scheme provide that the administrator of the scheme shall comply with the requirements of this regulation and, where the scheme is the leading scheme in relation to an employee, with the requirements of regulation 6 so far as they concern freestanding additional voluntary contributions schemes.

(2) The administrator of the scheme shall—

- (a) when contributions are first paid to the scheme by an employee to whom benefits are accruing under the main scheme in relation to that employee, and
- (b) when contributions are first paid by an employee under the scheme following a change of employment as a result of which benefits are accruing to the employee under a different main scheme in relation to that employee, and
- (c) when the scheme receives a transfer value in respect of an employee from another freestanding additional voluntary contributions scheme and part of that transfer value represents contributions paid during the period that benefits were accruing under the main scheme in relation to the employee,

notify the administrator of that main scheme of the event in question and of the account number of the employee in the scheme within a period of 60 days following receipt by him of the relevant information.

(3) The administrator of the scheme shall keep a separate record of the funds held for the purposes of paying benefits by virtue of the employee's contributions during each period that benefits are accruing under a different main scheme.

(4) The administrator of the scheme shall not pay any benefit, nor make any repayment of surplus funds to an employee or his personal representative, unless he has received a benefit certificate in respect of that employee from the administrator of the main scheme or, where the scheme is not the leading scheme in relation to the employee, an authorisation from the administrator of that leading scheme.

(5) Any payment which is to be made by the administrator of the scheme to or for the benefit of an employee or his personal representative to which section 599A of the Taxes Act(1) applies—

- (a) shall be made as soon as possible following receipt of notice from the leading scheme in relation to the employee of the benefits which may be paid by the scheme;

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(1) Section 599A was inserted by paragraph 12 of Schedule 6 to the Finance Act 1989 and amended by section 19(2) of the Finance (No. 2) Act 1992 (c. 48).

(b) shall be accompanied by a certificate signed by the administrator making the payment showing the amount which, after deduction of income tax at the basic rate for the year of assessment in which the repayment is made, would equal the amount paid to the employee or his personal representative, being the amount which the employee or the personal representative will be required to include in the return of his or the employee's income for that year of assessment.

(6) Where a transfer of accumulated funds is made to another freestanding additional voluntary contributions scheme the administrator of the scheme shall notify the administrator of the main scheme of the date of the transfer within the period of 60 days following that date.

(7) As soon as possible after—

- (a) any change in the name or address of the administrator of the scheme, or
- (b) the appointment of a new administrator of the scheme,

the administrator of the scheme shall notify his name and address to the administrator of the main scheme.