
STATUTORY INSTRUMENTS

1993 No. 3016

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

Restriction on discretion to approve — other schemes

5.—(1) The Board shall not exercise their discretion under section 591 to approve a retirement benefits scheme, which is not 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 main schemes.

(2) The administrator of the scheme shall keep for the period of six years following the year of assessment in which the relevant date occurred a record of—

- (a) any information notified to him by the administrator of a freestanding additional voluntary contributions scheme providing benefits to an employee which are additional to those provided by the scheme as to—
 - (i) the name of that scheme and the name and address of the administrator of that scheme, and
 - (ii) the account number of the employee in that scheme; and
- (b) any information notified to him by the administrator of the leading scheme in relation to an employee as to the kinds and the amounts of benefits that have been secured under every freestanding additional voluntary contributions scheme which provides benefits to the employee which are additional to those provided by the scheme.

(3) Where the scheme is the main scheme in relation to an employee, but is not the leading scheme in relation to that employee, the administrator of the scheme shall—

- (a) within the period of 30 days following receipt by him of information that the relevant date has passed, provide the administrator of the leading scheme with a certificate showing the information specified in paragraph (4); and
- (b) at the same time notify the administrator of any other approved freestanding additional voluntary contributions scheme providing benefits which are additional to those provided by the scheme that a benefit certificate has been provided to the administrator of the leading scheme in relation to the employee.

(4) The information specified in this paragraph is—

- (a) the amount of pension and pension equivalent which is payable to the employee, or which will be so payable in the first year for which the pension is payable (on the assumptions that the employee survives to the end of that year and that pension equivalent is, or will be, payable as such) under every scheme established by a relevant employer of the employee or to which a relevant employer is a contributor;
- (b) the amount of pension which is or will be payable to the widow or widower of the employee in the first year following the death of the employee under every scheme established by a relevant employer of the employee or to which a relevant employer is a contributor;

- (c) the percentage by which the amounts of pension referred to in sub-paragraphs (a) and (b) may be increased annually under the rules of the scheme or, where the rules of the schemes do not provide for increases by a specific percentage each year, the average of the percentages by which pensions payable under the schemes referred to in those sub-paragraphs have been increased in each of the three years preceding the relevant date;
 - (d) the maximum amount of pension and pension equivalent which can be paid to the employee in the circumstances described in sub-paragraph (a);
 - (e) the maximum amount of pension which can be paid to the widow or widower of the employee in the circumstances described in sub-paragraph (b);
 - (f) in relation to the maximum amount referred to in sub-paragraph (d), the details of the calculation of that amount and, in particular, whether in calculating that amount he has taken final remuneration to be—
 - (i) the amount of annual remuneration on which the scheme benefits are calculated, or
 - (ii) the highest amount of annual remuneration on which, under the rules of the scheme, benefits could be calculated, or
 - (iii) the average of the total amounts of emoluments paid by a relevant employer to the employee during each of the last three years of assessment from which tax was deducted in accordance with the Income Tax (Employments) Regulations 1973(1) or the Income Tax (Employments) Regulations 1993(2), disregarding in calculating those total amounts in relation to an employee to whom section 590C of the Taxes Act(3) applies any excess over the permitted maximum for the year in question which is found for the purposes of that section;
 - (g) where the relevant date is the date of the employee's death, instead of the amount referred to in sub-paragraph (a) and the maximum amount referred to in sub-paragraph (d), the amount of any benefit consisting of a lump sum payable in that event and the maximum amount of that benefit.
- (5) In this regulation—
- (a) “pension” means any amount payable by way of a pension or an annuity before any option is exercised to commute any part of that pension or annuity into a lump sum, or to allocate any such part to another person;
 - (b) “pension equivalent” means the additional amount that would be payable as an annuity if every twelve pounds payable by way of a lump sum under the rules of the scheme (otherwise than by commutation) were payable as an additional annuity of one pound (any amount left over being treated as an annuity of one pound);
 - (c) “the relevant date” means the date on which—
 - (i) benefits cease to accrue to the employee under an approved retirement benefits scheme to which a relevant employer of the employee is a contributor, otherwise than by reason of his unpaid absence, and are not continuing to accrue to him under any other scheme to which a relevant employer is a contributor, or
 - (ii) benefits become payable to the employee under an approved retirement benefits scheme to which a relevant employer of the employee is a contributor, or
 - (iii) the employee dies,
 whichever occurs first;
 - (d) “scheme” in sub-paragraphs (a) and (b) of paragraph (4) means—

(1) S.I.1973/334.

(2) S.I. 1993/744.

(3) Section 590C was inserted by paragraph 4 of Schedule 6 to the Finance Act 1989.

- (i) an approved retirement benefits scheme; or
 - (ii) a relevant statutory scheme.
- (6) The administrator of the scheme shall—
- (a) notify the administrator of the leading scheme in relation to an employee of any information notified to him as to—
 - (i) the name of any other approved freestanding additional voluntary contributions scheme providing benefits additional to those provided by the scheme and the name and address of the administrator of the scheme, and
 - (ii) the account number of the employee in that scheme; and
 - (b) notify the administrator of every approved freestanding additional voluntary contributions scheme providing benefits additional to those provided by the scheme of any change in his name or address.
- (7) As soon as possible following his appointment, any new administrator of the scheme shall notify his name and address to the administrator of every approved freestanding additional voluntary contributions scheme providing benefits additional to those provided by the scheme.