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## EXPLANATORY NOTE

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

These Regulations amend the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993 (S.I.1993/3016) (“the principal Regulations”).

Regulation 4 of the principal Regulations (“regulation 4”) restricts the discretion of the Commissioners of Inland Revenue to approve retirement benefits schemes which are freestanding additional voluntary contributions schemes where the rules of the scheme do not require the administrator to comply with the requirements of that regulation and, so far as they concern such schemes, of regulation 6 of the principal Regulations.

Regulation 3 of these Regulations amends regulation 4 to make provision for two additional circumstances as follows. First, a new paragraph (4A) is inserted which applies where an employee begins to receive benefits from a freestanding additional voluntary contributions scheme before beginning to receive benefits from his employer’s scheme. Secondly, a new paragraph (4B) is also inserted which applies where an employee defers the receipt of benefits under a freestanding additional voluntary contributions scheme until after the date when he begins to receive benefits from his employer’s scheme (but not later than his 75th birthday), and dies during the deferral period.

Regulations 4 and 5 of these Regulations make consequential amendments to regulations 4(5), 5(3) and 6(1) of the principal Regulations.

Regulation 6 of these Regulations disapplies section 591A(2) of the Income and Corporation Taxes Act 1988 in relation to the provisions introduced in the principal Regulations by regulations 3(2) to 5 of these Regulations.