

2000 No. 2315

INCOME TAX

**The Personal Pension Schemes (Relief at Source)
(Amendment) Regulations 2000**

Made - - - - 29th August 2000

Laid before the House of Commons 31st August 2000

Coming into force 1st October 2000

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by sections 639(2A) and (5) and 646C of the Income and Corporation Taxes Act 1988(a) and sections 132(1)(a), (2)(a), (3)(a) and (8) and 133(1) and (2) of the Finance Act 1999(b), hereby make the following Regulations:

Citation, commencement and effect

1. These Regulations may be cited as the Personal Pension Schemes (Relief at Source) (Amendment) Regulations 2000, shall come into force on 1st October 2000 and shall have effect with respect to personal pension schemes on and after 6th April 2001.

Interpretation

2. In these Regulations—

“personal pension scheme” has the meaning given by section 630(1) of the Income and Corporation Taxes Act 1988(c);

“the principal Regulations” means the Personal Pension Schemes (Relief at Source) Regulations 1988(d);

“regulation” means a regulation of the principal Regulations.

Amendments to the principal Regulations

3. In regulation 2(1)—

(a) after the definition of “arrangements” there shall be inserted the following definition—

““basis year” shall be construed in accordance with section 646B(e);”;

(a) 1988 c. 1. Section 639 was amended by paragraph 15 of Schedule 13 to the Finance Act 2000 (c. 17) (“Schedule 13”). Section 646C was inserted by paragraph 22(1) of Schedule 13.

(b) 1999 c. 16.

(c) Section 630(1) was amended by paragraph 2 of Schedule 11 to the Finance Act 1995 (c. 4) and by paragraph 5 of Schedule 13.

(d) S.I. 1988/1013.

(e) Section 646B was inserted by paragraph 22(1) of Schedule 13.

- (b) after the definition of “the Board” there shall be inserted the following definitions—
- ““earnings threshold” has the meaning given by section 630(1);
“electronic signature” has the meaning given by section 7(2) of the Electronic Communications Act 2000(a);”;
- (c) for the definitions of “net relevant Schedule E earnings” and “relevant Schedule E earnings” there shall be substituted the following definitions—
- ““net relevant earnings” means relevant earnings computed in accordance with section 646(b);
“permitted maximum” has the meaning given by section 638(4)(c);
“qualifying post-cessation year” has the meaning given by section 646D(4) and (5)(d);
“relevant earnings” has the meaning given by section 644(e);”.
4. In regulation 4 for the words from “under” to the end there shall be substituted the words “an individual is eligible, by virtue of satisfying the provisions of section 632A(f) of the Taxes Act, to make contributions for a year of assessment to the approved personal pension scheme concerned”.
5. In regulation 5(1) the words “in writing” and “, or within,” shall be omitted.
6. In regulation 5(2)—
- (a) in sub-paragraph (a) for the word “address” there shall be substituted the words “permanent residential address including, where the address is in the United Kingdom, the postcode”;
- (b) in sub-paragraph (c) there shall be added at the end the words “, unless aged under 16 or a citizen of a country outside the United Kingdom who is not resident in the United Kingdom,”;
- (c) for sub-paragraphs (d) to (f) there shall be substituted the following sub-paragraphs—
- “(d) except where the scheme is an occupational pension scheme within the meaning of section 1 of the Pension Schemes Act 1993(g), the category of status specified in paragraph (2A) that is applicable in his case or, if more than one category is applicable, the one that is his principal source of income;
(e) in the circumstances specified in paragraph (2B), the requisite evidence, that is to say—
- (i) a declaration specifying the year of assessment concerned, or an earlier year of assessment not being more than five years preceding that year, as the basis year for the purposes of section 646B (presumption of same level of relevant earnings etc. for 5 years);
(ii) where the individual is an employee, the full names and addresses of all those employers who have paid, or will pay, net relevant earnings to him; and
(iii) the particulars specified in paragraph (2C) for the basis year.”
7. After regulation 5(2) there shall be inserted the following paragraphs—
- “(2A) The categories of status specified in this paragraph for the purposes of paragraph (2)(d) are as follows—
- (a) employed, that is, a person chargeable to tax under Schedule E for the year of assessment concerned in respect of emoluments from an office or employment held by him;

(a) 2000 c. 7.

(b) Section 646 was amended by Part VIII of Schedule 14 to the Finance Act 1988 (c. 39), paragraph 7 of Schedule 7 to the Finance Act 1989 (c. 26), paragraph 8(29) of Schedule 1 to the Capital Allowances Act 1990 (c. 1), and paragraph 21 of Schedule 13.

(c) Section 638(4) was amended by paragraph 13(3) of Schedule 13.

(d) Section 646D was inserted by paragraph 23 of Schedule 13.

(e) Section 644 was amended by Part VIII of Schedule 14 to the Finance Act 1988, paragraph 5 of Schedule 7, and paragraph 16 of Schedule 12, to the Finance Act 1989, and paragraph 15 of Schedule 10 to the Finance Act 1999.

(f) Section 632A was inserted by paragraph 8 of Schedule 13.

(g) 1993 c. 48.

- (b) a person chargeable to tax under Schedule E for the year of assessment concerned in respect of a pension;
- (c) self-employed, that is, a person chargeable to tax under Schedule D for the year of assessment concerned in respect of annual profits or gains arising or accruing from any trade, profession or vocation carried on by him;
- (d) a child under the age of 16;
- (e) other status not falling within any of sub-paragraphs (a) to (d) and, in relation to that status, specifying which of the following is applicable in his case or, if more than one, the most applicable—
 - (i) caring for one or more children aged under 16,
 - (ii) caring for a person aged 16 or over,
 - (iii) in full time education,
 - (iv) unemployed, or
 - (v) other.

(2B) The circumstances specified in this paragraph are where the total contributions to be made by the individual and, where he is an employee, his employer for the year of assessment concerned will exceed the earnings threshold, and the year of assessment either—

- (a) is not a year already specified in a declaration under paragraph (2)(e)(i) as the basis year or is not one of the 5 years of assessment following that year, or
- (b) is such a year but the total contributions to be made by the individual and, where he is an employee, his employer for that year will exceed the permitted maximum based on the net relevant earnings of the individual in the basis year specified in the declaration.

(2C) The particulars specified in this paragraph are—

- (a) where the individual is an employee, one of the following—
 - (i) a copy of his payslip or Inland Revenue Form P60 showing relevant earnings for the basis year;
 - (ii) a declaration of his employer, signed by the employer or a person nominated by the employer, stipulating the amount of remuneration paid to the employee for the basis year or, where the basis year is the current year, an estimate of the amount of remuneration to be paid to the employee for that year;
 - (iii) a copy of the self-assessment included in the individual's income tax return for the basis year;
 - (iv) such other particulars of relevant earnings as may be required by notice in writing given by the Board;
- (b) where the individual is self-employed, one of the following—
 - (i) a copy of the accounts for the basis year of the individual's trade, profession or vocation;
 - (ii) a copy of the income tax return for the basis year of the individual, or of the self-assessment included in that return, showing net relevant earnings of the individual;
 - (iii) such other particulars of relevant earnings as may be required by notice in writing given by the Board.

(2D) The reference in paragraph (2C)(a)(ii) to a declaration includes a declaration produced in electronic form and incorporating an electronic signature of the employer.”

8. For regulation 5(3) there shall be substituted—

“(3) The time specified in this paragraph is—

- (a) in relation to the particulars specified in paragraph (2)(a) to (d), the time at which the individual first pays a net contribution;
- (b) in relation to the particulars specified in paragraphs (2)(e) and (2C), immediately after the expiry of thirty days following the day on which the individual first pays a net contribution for the year of assessment concerned that, when aggregated with previous contributions made by him for that year, exceeds the earnings threshold or, as the case may be, the permitted maximum based on the net relevant earnings of the individual in the basis year.”
9. In regulation 6(1) the words “, or within,” shall be omitted.
10. In regulation 6(2)—
- (a) in sub-paragraph (c) for the words from “the total of the maximum amount” to “section 642” there shall be substituted the words “the maximum amount permitted under section 640”;
- (b) for sub-paragraph (d) there shall be substituted—
- “(d) that the individual’s eligibility to make contributions for the year of assessment concerned arises by virtue of section 632A(4) (actual net relevant earnings), the individual does not fulfil any of the conditions in section 632A(6) to (9), and his net relevant earnings do not fall within section 644(5).”
11. For regulation 6(3) there shall be substituted—
- “(3) The time specified in this paragraph is—
- (a) in relation to the certificate specified in paragraph (2)(a), (b) or (c)—
- (i) the time at which the individual first pays a net contribution;
- (ii) the time at which the individual makes a declaration in accordance with regulation 5(2)(e)(i) specifying a year of assessment as the basis year for the purposes of section 646B;
- (b) in relation to the certificate specified in paragraph (2)(d), the time at which the individual first pays a net contribution, being a time when his eligibility to do so arises by virtue of section 632A(4) and he does not fulfil any of the conditions in section 632A(6) to (9).”
12. In regulation 7(2)—
- (a) the word “signed” shall be omitted;
- (b) for sub-paragraph (b) there shall be substituted—
- “(b) the individual will, not later than the date specified in paragraph (3), give notice to the administrator if an event occurs as a result of which the individual, having regard to section 632A(3) to (9), will no longer be eligible to make contributions.”
13. After regulation 7(2) there shall be added the following paragraphs—
- “(3) The date specified for the purposes of sub-paragraph (b) of paragraph (2) is the 5th April in the year of assessment in which the event referred to in that sub-paragraph occurs or the date that is 30 days following the occurrence of that event, whichever is the later.
- (4) Certificates furnished under regulation 6, and declarations furnished under this regulation, if in writing, shall be signed by the maker of the certificates or declarations.
- (5) Where particulars, certificates or declarations furnished by an individual under regulation 5 or 6 or this regulation are not in writing, the scheme administrator may—
- (a) make a declaration in writing on behalf of the individual that the particulars or (as the case may be) the terms of the certificates or declarations so furnished are those recorded in the declaration, and
- (b) send a copy of the declaration to the individual.
- (6) Subject to any corrections notified by the individual to the scheme administrator within the period of 30 days following the date on which the copy of the declaration referred

to in paragraph (5) was sent to the individual, and incorporated in a new declaration made by the scheme administrator, any such declaration shall take effect as from the date on which the copy of it was sent to the individual in accordance with that paragraph.

(7) Particulars, certificates or declarations furnished by an individual under regulation 5, 6 or this regulation shall be regarded as furnished in writing for the purposes of this regulation if they are furnished—

- (a) by telephonic facsimile transmission, or
- (b) by electronic communication containing an electronic signature of the individual.

(8) Declarations made by the scheme administrator under paragraph (5) of this regulation shall be regarded as made in writing if they are produced by electronic means; and the copy of a declaration to be sent to the individual in accordance with sub-paragraph (b) of that paragraph may be sent by telephonic facsimile transmission or by electronic communication.”

14. After regulation 8(3) there shall be inserted the following paragraph—

“(3A) No annual claim or interim claim may be made in respect of contributions made by an individual in a year of assessment that exceed the earnings threshold unless that year of assessment is—

- (a) the basis year specified in a declaration under regulation 5(2)(e)(i),
- (b) one of the 5 years of assessment following that year, or
- (c) a qualifying post-cessation year.”

15. In regulation 10(3)(a) for the words “paid in” there shall be substituted the words “paid in respect of”.

29th August 2000

Nick Montagu
Ann Chant
Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Personal Pension Schemes (Relief at Source) Regulations 1988 (S.I. 1988/1013) (“the principal Regulations”) and supplement changes made by the Finance Act 2000 (c. 17) to Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988 (personal pension schemes). The amendments enable telephone, facsimile and internet applications to be made by contributors to personal pension schemes to scheme providers to enable tax relief on personal pension contributions to be given by way of deduction at source. They also make further provision in relation to the particulars to be furnished by contributors to scheme providers.

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

Regulations 3 to 15 make amendments to the principal Regulations.

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