
STATUTORY INSTRUMENTS

2006 No. 129

INCOME TAX

**The Registered Pension Schemes
(Relevant Annuities) Regulations 2006**

<i>Made</i>	- - - -	<i>25th January 2006</i>
<i>Laid before the House of Commons</i>	- - - -	<i>26th January 2006</i>
<i>Coming into force</i>	- -	<i>6th April 2006</i>

The Commissioners for Her Majesty's Revenue and Customs, in exercise of the powers conferred by paragraph 14 of Schedule 28 to the Finance Act 2004⁽¹⁾, and now exercisable by them⁽²⁾ make the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Registered Pension Schemes (Relevant Annuities) Regulations 2006 and shall come into force on 6th April 2006.

(2) In these Regulations “the Act” means the Finance Act 2004.

Definition of “relevant annuity”

2. For the purposes of Part 4 of the Act (pension schemes etc.) a “relevant annuity” is a level single life annuity without a guaranteed term.

Definition of “annual amount”

3.—(1) For the purposes of Part 4 of the Act the “annual amount” of a relevant annuity is the rate of annual income which the tables, published for this purpose by the Government Actuary's Department, show as available if—

- (a) a relevant annuity were purchased by the application of the sums and assets representing the member's pension fund valued at the relevant date; and

(1) 2004 c. 12.

(2) The functions of the Commissioners of Inland Revenue (“the former Commissioners”) were transferred to the Commissioners for Her Majesty's Revenue and Customs (“the new Commissioners”) by section 5 of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) provides that, so far as appropriate in consequence of section 5, references to the former Commissioners are to be read as references to the new Commissioners

- (b) the purchaser were the same age and sex as the member or dependant (but in any case where that age is greater than 75, it shall be treated as 75).
- (2) For the purposes of paragraph (1) the “relevant date” is—
 - (a) for the first unsecured pension year falling within a reference period—
 - (i) the nominated date, as set out in paragraph 10(3)(a) or 24(3)(a) (as the case requires); or
 - (ii) if there has been an additional fund designation made during that year, the date on which that designation was made;
 - (b) for each other unsecured pension year falling within a reference period, the date found in accordance with paragraph 10(4) or 24(4) (as the case requires);
 - (c) for the first alternatively secured pension year, the date found in accordance with paragraph 13(1) or 27(1) (as the case requires) ; and
 - (d) for each other alternatively secured pension year, the date found in accordance with paragraph 13(3) or 27(3) (as the case requires).

In sub-paragraphs (a) to (d) references to numbered paragraphs are to the paragraphs of Schedule 28 to the Act.

25th January 2006

Paul Gray
Mike Eland
Two of the Commissioners for Her Majesty’s
Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide definitions for the terms “relevant annuity” and “annual amount”. The terms are relevant in calculating the “basis amount” in paragraphs 10, 13, 24 and 27 of Schedule 28 to the Finance Act 2004 (pension rules).

Regulation 1 provides for the citation, commencement and interpretation.

Regulation 2 defines “relevant annuity”.

Regulation 3 defines “annual amount” and provides a method of determining that amount.

A regulatory impact assessment in respect of the provisions of Part 4 of the Finance Act 2004 and subordinate legislation under it was published by the Board of Inland Revenue on 8 April 2004, and is available on the website of Her Majesty’s Revenue and Customs at www.hmrc.gov.uk/ria/simplifying-pensions.pdf or (for hard copies) by writing to the Ministerial Correspondence Unit, Capital and Savings, 1st Floor Ferrers House, PO Box 38, Castle Meadow Road, Nottingham, NG2 1BB.