

2006 No. 1957

INCOME TAX

The Registered Pension Schemes (Extension of Migrant Member Relief) Regulations 2006

<i>Made</i> - - - -	<i>20th July 2006</i>
<i>Laid before the House of Commons</i>	<i>21st July 2006</i>
<i>Coming into force</i> - -	<i>11th August 2006</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred upon them by paragraph 4(2) and (3) of Schedule 33 to the Finance Act 2004(a).

Citation, commencement, effect and interpretation

1.—(1) These Regulations may be cited as the Registered Pension Schemes (Extension of Migrant Member Relief) Regulations 2006, shall come into force on 11th August 2006 and shall have effect in relation to all times on or after 6th April 2006.

(2) In these Regulations—

“the Act” means the Finance Act 2004;

“block transfer” has the same meaning as it has in paragraph 22(6) of Schedule 36;

“the receiving scheme” means the scheme referred to in the relevant provisions;

“the relevant provisions” means paragraphs (a), (b) and (c) of paragraph 4(1) of Schedule 33 (meaning of relevant migrant member); and

“Schedule” means a Schedule to the Act.

References in relevant provisions treated as including references to other schemes

2.—(1) Paragraphs (2) to (4) prescribe circumstances in which references in the relevant provisions to the pension scheme are to be read as including other schemes.

(2) The circumstance prescribed by this paragraph is that there has been a block transfer to the receiving scheme on or after 6th April 2006.

In the circumstance prescribed by this paragraph, references in the relevant provisions to the pension scheme are to either the receiving scheme or to the scheme from which the block transfer takes place.

(3) The circumstance prescribed by this paragraph is that there has been a series of transfers, all of which were block transfers from one overseas pension scheme to another and the last of which was a transfer to the receiving scheme occurring on or after 6th April 2006.

(a) 2004 c. 12. Paragraph 4 was amended, and sub-paragraphs (2) and (3) added by paragraph 32 of Schedule 23 to the Finance Act 2006 (c. 25).

In the circumstance prescribed by this paragraph, references in the relevant provisions to the pension scheme are to either the receiving scheme or to any of the overseas pension schemes from which a block transfer, which forms part of the series, has taken place.

(4) The circumstance prescribed by this paragraph is that—

- (a) under the rules of a pension scheme (“the original scheme”) on and after a specified date it is no longer possible for further accruals to occur;
- (b) a further pension scheme (“the new scheme”) has been established to provide benefits in respect of rights accruing to members of the original scheme after the specified date;
- (c) more than one member of the original scheme has become a member of the new scheme in relation to all rights accruing after the specified date;
- (d) rights do not accrue to any member of the new scheme after the specified date under the original scheme.

In the circumstance prescribed by this paragraph references in the relevant provisions to the pension scheme are to either the new scheme or the original scheme.

David Varney
Mike Eland

20th July 2006

Two of the Commissioners for Her Majesty’s Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations extend the meaning of “the scheme” in paragraphs (a), (b) and (c) of paragraph 4(1) of Schedule 33 to the Finance Act 2004 (c. 12). Paragraph 4 of that Schedule was amended by paragraph 32 of Schedule 23 to the Finance Act 2006. Sub-paragraph (3) of paragraph 4 authorises the making of retrospective provision.

The effect of the Regulations is to extend eligibility for migrant member relief under each of those paragraphs to cases where a person was not resident in the United Kingdom at the time that he joined a scheme other than the scheme referred to in those paragraphs.

The first case to which the Regulations apply is where a member’s rights have been the subject of one or more block transfers within the meaning of paragraph 22(6) of Schedule 36 to the 2004 Act. In such a case the reference to the pension scheme is to be read as including the scheme from which the transfer occurred.

The second case is where a series of block transfers have occurred. In such a case the reference to the pension scheme is to be read as including any of the schemes from which any of the transfers forming part of the series have occurred.

The third case is where the scheme to which the member originally belonged is closed to new accruals for existing members and a further scheme for members of that scheme is set up. In such a case references to the pension scheme to which the member belonged when non-resident is to be read as a reference to either the new scheme or the original scheme.

These Regulations do not impose new costs on business.

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