
STATUTORY INSTRUMENTS

2006 No. 499

INCOME TAX

**The Registered Pension Schemes (Transfer
of Sums and Assets) Regulations 2006**

<i>Made</i>	- - - -	<i>28th February 2006</i>
<i>Laid before the House of Commons</i>	- - - -	<i>1st March 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 section 169(1B), (1C), (1D) and (1E) of, and paragraphs 2(4)(h) and (6A), 3(2B) and (2C), 6(1B) and (1C), 16(2A) and (2B), 17(3) and (4) and 20(1B) and (1C) of Schedule 28 to, the Finance Act 2004(1), and now exercisable by them(2), make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006 and shall come into force on 6th April 2006.

Commencement Information

11 [Reg. 1](#) in force at 6.4.2006, see [reg. 1](#)

Interpretation

2. In these Regulations "Part", "section" or "Schedule", without more, means a Part, section or Schedule of the Finance Act 2004.

(1) [2004 c. 12](#). Section 169(1A) – (1E), paragraph 2(4)(h) and (6A), 3(2B) and (2C), 6(1B) and (1C), 17(3) and (4) and 20 (1B) and (1C) of Schedule 28 inserted by section 101 of and paragraphs 11, 13 – 16, 36 and 64(1) of Schedule 10 to, the Finance Act [2005 \(c. 7\)](#).

(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.

Status: Point in time view as at 01/09/2015.

Changes to legislation: There are currently no known outstanding effects for the The Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006. (See end of Document for details)

Commencement Information

I2 Reg. 2 in force at 6.4.2006, see [reg. 1](#)

Scheme pension payable by registered pension scheme - recognised transfers

3.—(1) A transfer within section 169(1) or (1A) (recognised transfer) of sums or assets which represent rights in respect of a scheme pension to which a member of a registered pension scheme has become entitled (“the original scheme pension”) is not a recognised transfer unless those sums and assets are, after the transfer, applied towards the provision of a scheme pension (a “new scheme pension”).

(2) If the sums and assets are so applied, the new scheme pension is to be treated as if it were the original scheme pension for the purposes of Part 4 prescribed in table 1.

Commencement Information

I3 Reg. 3 in force at 6.4.2006, see [reg. 1](#)

Scheme pension payable by insurance company

4. If—

- (a) a scheme pension payable by an insurance company selected by the scheme administrator of a registered pension scheme (“the original scheme pension”) ceases to be payable, and
- (b) in consequence of the transfer of sums or assets (or both) from the insurance company to another insurance company in connection with the original scheme pension ceasing to be payable, another scheme pension becomes payable by the other insurance company (“the new scheme pension”),

the new scheme pension is to be treated as if it were the original scheme pension for the purposes of Part 4 prescribed in table 1.

Table 1

Prescribed purposes – scheme pensions

<i>Provision</i>	<i>Purpose</i>
[^{F1} Section 165(1), pension rule 1	To determine whether the individual has reached the normal minimum pension age by reference to the day on which the original scheme pension was first paid.]
Section 216(1), benefit crystallisation event 2 (benefit crystallisation event on becoming entitled to a scheme pension)	To determine whether the individual has become entitled to a scheme pension by reference to the original scheme pension (to prevent a benefit crystallisation event occurring in relation to the individual becoming entitled to the new scheme pension).
Section 216(1), benefit crystallisation event 3 (benefit crystallisation event on becoming entitled to a scheme pension at an increased rate)	To determine the rate at which the scheme pension was payable on the day on which the individual became entitled to it by reference

<i>Provision</i>	<i>Purpose</i>
	to the rate payable in relation to the original scheme pension.
Paragraph 2A(3) and (5) of Schedule 28 (unauthorised payments)	To determine— <ul style="list-style-type: none"> (i) the rate payable when the member became entitled to the pension, and (ii) the amount of any lump sum on which there is no liability to tax to which the member became entitled in conjunction with the pension,
	by reference to the original scheme pension.
Paragraph 1(1) and (3)(a) of Schedule 29 (pension commencement lump sum)	To determine whether the member has become entitled to a lump sum in connection with the member becoming entitled to the scheme pension by reference to the original scheme pension (to prevent a lump sum to which a member becomes entitled in connection with becoming entitled to the new scheme pension being a pension commencement lump sum).
Paragraph 14(3) of Schedule 29 (pension protection lump sum death benefit)	To determine— <ul style="list-style-type: none"> (i) the amount crystallised by reason of the member becoming entitled to the pension (AC) by reference to the member becoming entitled to the original scheme pension, (ii) the amount of pension paid (AP) as that paid in respect of the original scheme pension and the new scheme pension in respect of the period between the member becoming entitled to the original scheme pension and the member's death, (iii) the total amount of pension protection lump sum death benefit (TPLS) by reference to that paid in respect of the original scheme pension and the new scheme pension.
Paragraph 16(3) of Schedule 29 (annuity protection lump sum death benefit)	To determine— <ul style="list-style-type: none"> (i) the amount crystallised by reason of the member becoming entitled to the pension (AC) by reference to the member becoming entitled to the original scheme pension, (ii) the amount of pension paid (AP) as that paid in respect of the original scheme pension and the new scheme pension in respect of the period between the member becoming entitled to the original scheme pension and the member's death, and (iii) the total amount of annuity protection lump sum death benefit (TPLS) by

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<i>Provision</i>	<i>Purpose</i>
	reference to that paid in respect of the original scheme pension and the new scheme pension.
[^{F2} Paragraph 20(2), (3) and (5) of Schedule 36 (pre-commencement pensions)]	To determine— <ul style="list-style-type: none"> (i) whether an individual has pre-commencement pension rights, (ii) whether an individual has a relevant existing pension.]

Textual Amendments

- F1** Words in [reg. 4 Table 1](#) inserted (retrospective to 6.4.2010) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2011 \(S.I. 2011/733\)](#), regs. 1(2), **3(2)**
- F2** Words in [reg. 4 Table 1](#) inserted (1.7.2014) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2014 \(S.I. 2014/1449\)](#), regs. 1(1), **2(2)** (with [reg. 1\(2\)](#))

Commencement Information

- I4** [Reg. 4](#) in force at 6.4.2006, see [reg. 1](#)

Term and reduction in the rate of scheme pension

5. In a case within regulation 3 or 4 a reduction of the original scheme pension is a prescribed circumstance for the purposes of paragraph 2(4) of Schedule 28 (scheme pension: satisfying conditions) if—

- (a) the rate of the pension payable under the new scheme pension on the day on which the member becomes entitled to it is not less than the rate payable under the original scheme pension immediately before the original scheme pension ceased to be payable save to the extent that any reduction reflects the reasonable administration costs of the transfer of sums or assets; and
- (b) where the new scheme pension is payable until the later of the member's death and the end of a term certain, that term ends on or before the date on which the term certain under the original scheme pension would have ended.

Commencement Information

- I5** [Reg. 5](#) in force at 6.4.2006, see [reg. 1](#)

Lifetime annuity – unauthorised payments and prescribed purposes

6.—(1) In a case within paragraph 3(2B)(a) of Schedule 28 (transfer of sums or assets on cessation of lifetime annuity) where a new lifetime annuity becomes payable, the new lifetime annuity is to be treated as if it were the original lifetime annuity for the purposes of Part 4 prescribed in table 2 to the extent that the amount of the sums and the value of the assets applied to purchase the new lifetime annuity are equal to the amount of the sums and the value of the assets transferred.

(2) In any other case within paragraph 3(2B), the relevant registered pension scheme is to be treated as making an unauthorised payment to the member of an amount equal to the aggregate of the amount of the sums and the market value of the assets transferred.

Table 2

Prescribed purposes – lifetime annuities

<i>Provision</i>	<i>Purpose</i>
[^{F3} Section 165(1), pension rule 1	To determine whether the individual has reached the normal minimum pension age by reference to the day on which the original lifetime annuity was first paid.]
[^{F4} Section 172A (surrender)	To determine for the purposes of section 172A(1) and (2) whether a surrender of (or agreement to surrender) rights to payments under a lifetime annuity has occurred.]
Section 216(1), benefit crystallisation event 4 (benefit crystallisation event on becoming entitled to a lifetime annuity)	To determine whether the individual has become entitled to a lifetime annuity by reference to the original annuity (to prevent a benefit crystallisation event occurring in relation to the individual becoming entitled to the new lifetime annuity).
Paragraph 1(1) and (3)(a) of Schedule 29 (pension commencement lump sum)	To determine whether the member has become entitled to a lump sum in connection with the member becoming entitled to a lifetime annuity by reference to the original annuity (to prevent a lump sum to which a member becomes entitled in connection with becoming entitled to the new lifetime annuity being a pension commencement lump sum).
Paragraph 16(3) of Schedule 29 (annuity protection lump sum death benefit)	To determine— <ul style="list-style-type: none"> (i) the amount crystallised by reason of the member becoming entitled to the annuity (AC) by reference to the member becoming entitled to the original lifetime annuity, (ii) the amount of pension paid (AP) as that paid in respect of the original lifetime annuity and the new lifetime annuity in respect of the period between the member becoming entitled to the original lifetime annuity and the member's death, (iii) the total amount of annuity protection lump sum death benefit (TPLS) by reference to that paid in respect of the original lifetime annuity and the new lifetime annuity.

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Changes to legislation: There are currently no known outstanding effects for the The Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006. (See end of Document for details)

Textual Amendments

- F3** Words in [reg. 6\(2\)](#) Table 2 inserted (retrospective to 6.4.2010) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2011 \(S.I. 2011/733\)](#), regs. 1(2), **4(2)**
- F4** Words in [reg. 6\(2\)](#) Table 2 inserted (retrospective to 10.10.2007) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2008 \(S.I. 2008/1946\)](#), regs. 1(2), **2(2)**

Commencement Information

- I6** [Reg. 6](#) in force at 6.4.2006, see [reg. 1](#)

[^{F5}Short-term annuity – unauthorised payments

7.—(1) In any case within paragraph 6(1B) of Schedule 28 (transfer of sums and assets on cessation of short-term annuity) except where a new short-term annuity becomes payable, the relevant registered pension scheme is to be treated as making an unauthorised payment to the member of an amount equal to the aggregate of the amount of the sums and the market value of the assets transferred.

(2) In any case within paragraph 6(1B) where a new short-term annuity becomes payable, the new short-term annuity is to be treated as if it were the original short-term annuity for the purposes prescribed in paragraph (3).

(3) The prescribed purposes are to determine, in relation to pension rule 1 in section 165(1), whether the individual has reached the normal minimum pension age by reference to the day on which the original short-term annuity was first paid.]

Textual Amendments

- F5** [Reg. 7](#) substituted (retrospective to 6.4.2010) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2011 \(S.I. 2011/733\)](#), regs. 1(2), **5**

Dependants' scheme pension payable by registered pension scheme - recognised transfers

8. A transfer within section 169(1) or (1A) of sums or assets which represent rights in respect of a dependants' scheme pension to which a dependant of a member of a registered pension scheme has become entitled in respect of the member (“the original dependants' scheme pension”) is not a recognised transfer unless those sums and assets are, after the transfer, applied towards the provision of a dependants' scheme pension (a “new dependants' scheme pension”).

Commencement Information

- I7** [Reg. 8](#) in force at 6.4.2006, see [reg. 1](#)

Dependants' scheme pension payable by an insurance company - unauthorised payments

9. In any case within paragraph 16(2A) of Schedule 28 (transfer of sums or assets on cessation of payment of a dependants' scheme pension by an insurance company) except where a new dependants' scheme pension becomes payable, the relevant registered pension scheme is to be treated as making an unauthorised payment in respect of the member of an amount equal to the aggregate of the amount of the sums and the market value of the assets transferred.

Commencement Information

I8 [Reg. 9](#) in force at 6.4.2006, see [reg. 1](#)

[^{F6}Dependants' annuity - unauthorised payments

10.—(1) In any case within paragraph 17(3) of Schedule 28 (transfer of sums or assets on cessation of dependants' annuity) where a new dependants' annuity becomes payable, the new dependants' annuity is to be treated as if it were the original dependants' annuity for the purposes of Part 4 prescribed in table 2A to the extent that the amount of the sums and the value of the assets applied to purchase the new dependants' annuity are equal to the amount of the sums and the value of the assets transferred.

(2) In any other case within paragraph 17(3), except where a new dependants' annuity becomes payable, the relevant registered pension scheme is to be treated as making an unauthorised payment in respect of the member of an amount equal to the aggregate of the amount of the sums and the market value of the assets transferred.

Table 2A

<i>Provision</i>	<i>Purpose</i>
Section 172A (surrender)	To determine for the purposes of section 172A(1) and (2) whether a surrender of (or agreement to surrender) rights to payments under a dependants' annuity has occurred.]

Textual Amendments

F6 [Reg. 10](#) substituted (retrospective to 10.10.2007) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2008 \(S.I. 2008/1946\)](#), regs. 1(2), 2(3)

Dependants' short-term annuity - unauthorised payments

11. In any case within paragraph 20(1B) of Schedule 28 (transfer of sums or assets on cessation of dependants' short-term annuity) except where a new dependant' short-term annuity becomes payable, the relevant registered pension scheme is to be treated as making an unauthorised payment in respect of the member of an amount equal to the aggregate of the amount of the sums and the market value of the assets transferred.

Commencement Information

I9 [Reg. 11](#) in force at 6.4.2006, see [reg. 1](#)

[^{F7}Member's drawdown pension fund [^{F8}or flexi-access drawdown fund] and dependant's drawdown pension fund [^{F8}or flexi-access drawdown fund]][^{F9}and nominee's flexi-access

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drawdown fund and successor's flexi-access drawdown fund]– recognised transfers and prescribed purposes

12.—(1) A transfer within section 169(1) of sums or assets which represent a [F10 member's flexi-access drawdown fund, dependant's flexi-access drawdown fund,][F11 nominee's flexi-access drawdown fund, successor's flexi-access drawdown fund,] member's drawdown pension fund or dependant's drawdown pension fund under an arrangement (“the old arrangement”), is not a recognised transfer unless all of those sums and assets become held under an arrangement under which no other sums or assets are held (“the new arrangement”).

(2) In a case where the sums and assets become so held, the sums and assets transferred are to be treated as remaining sums and assets held under the old arrangement for the purposes prescribed—

[F12(z) in the case of a member's flexi-access drawdown fund, in the entries in table 3 for provisions not in Schedule 28,]

- (a) in table 3 in the case of a member's drawdown pension fund, and
- (b) in table 4 in the case of a dependant's drawdown pension fund.

Table 3

Prescribed purposes –[F13 member's flexi-access drawdown fund or] member's drawdown pension fund

<i>Provision</i>	<i>Purpose</i>
Section 165(1), pension rule 1 (normal minimum pension age)	To determine whether the individual has reached the normal minimum pension age by reference to the day on which, in the case of income withdrawal, the first payment of drawdown pension was made under the old arrangement.
F14	F14
...	...
Section 216(1), benefit crystallisation event 1 (benefit crystallisation event on designation of sums or assets held as available for payment of drawdown pension to the individual)	To determine whether there has been a designation of sums or assets held as available for payment of drawdown pension to the individual by reference to the designation of sums or assets held under the old arrangement (to prevent a benefit crystallisation event occurring in relation to the sums or assets becoming held under a new arrangement).
Paragraph 9(1) of Schedule 28 (definition of drawdown pension year)	To determine the drawdown pension year for the purpose of paragraphs 9, 10 and 10A of Schedule 28 by reference to the day on which the member first became entitled to a drawdown pension in respect of the old arrangement, except where a determination has been made under paragraph 10B(3) in which case the drawdown pension year is to be determined by reference to that determination.
Paragraph 10(2) and (4)(a) of Schedule 28 (calculation of basis amount for drawdown pension year)	To determine, for the reference period in which the transfer is made, the annual amount of the relevant annuity which could have been purchased by the application of the sums and

<i>Provision</i>	<i>Purpose</i>
	assets representing the member's drawdown pension fund on the nominated date, by reference to the sums and assets held under the old arrangement.
Paragraph 10A(2) of Schedule 28 (calculation of basis amount for drawdown pension year beginning after the member's 75th birthday)	To determine, for the drawdown pension year in which the transfer is made, the annual amount of the relevant annuity which could have been purchased by the application of the sums and assets representing the member's drawdown pension fund on the nominated date, by reference to the sums and assets held under the old arrangement.
Paragraph 1(1) and (3)(a) of Schedule 29 (pension commencement lump sum)	To determine whether the member has become entitled to a lump sum in connection with the member becoming entitled under an arrangement by reference to the old arrangement (to prevent a lump sum to which a member becomes entitled in connection with becoming entitled under the new arrangement being a pension commencement lump sum).

Table 4

Prescribed purposes – dependant's drawdown pension fund

<i>Provision</i>	<i>Purpose</i>
F15	F15
...	...
Paragraph 23(1) of Schedule 28 (definition of drawdown pension year)	To determine the drawdown pension year for the purpose of paragraphs 23, 24 and 24A of Schedule 28 by reference to the day on which the dependant first became entitled to a dependant's drawdown pension in respect of the old arrangement, except where a determination has been made under paragraph 24B(3) in which case the drawdown pension year is to be determined by reference to that determination.
Paragraph 24(2) and (4)(a) of Schedule 28 (calculation of basis amount for drawdown pension year)	To determine, for the reference period in which the transfer is made, the annual amount of the relevant annuity which could have been purchased by the application of the sums and assets representing the dependant's drawdown pension fund on the nominated date, by reference to the sums and assets held under the old arrangement.
Paragraph 24A(2) of Schedule 28 (calculation of basis amount for drawdown pension year beginning after the dependant's 75th birthday)	To determine, for the drawdown pension year in which the transfer is made, the annual amount of the relevant annuity which could have been purchased by the application of the sums and

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<i>Provision</i>	<i>Purpose</i>
	assets representing the dependant's drawdown pension fund on the nominated date, by reference to the sums and assets held under the old arrangement.]

Textual Amendments

- F7** Reg. 12 substituted (for the tax year 2011–12 and subsequent tax years) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) \(No. 2\) Regulations 2011 \(S.I. 2011/1790\)](#), regs. 1, **2(2)**
- F8** Words in reg. 12 heading inserted (6.4.2015) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 34(2)**, (8)(a) (with [Sch. 1 para. 34\(8\)\(b\)](#))
- F9** Words in reg. 12 heading inserted (6.4.2015) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 2 para. 16(2)**, (4)(a) (with [Sch. 2 para. 16\(4\)\(b\)](#))
- F10** Words in reg. 12(1) inserted (6.4.2015) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 34(3)(8)(a)** (with [Sch. 1 para. 34\(8\)\(b\)](#))
- F11** Words in reg. 12(1) inserted (6.4.2015) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 2 para. 16(3)**, (4)(a) (with [Sch. 2 para. 16\(4\)\(b\)](#))
- F12** Reg. 12(2)(za) inserted (6.4.2015) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 34(4)(8)(a)** (with [Sch. 1 para. 34\(8\)\(b\)](#))
- F13** Words in reg. 12 Table 3 heading inserted (6.4.2015) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 34(5)(8)(a)** (with [Sch. 1 para. 34\(8\)\(b\)](#))
- F14** Words in reg. 12 Table 3 omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 34(6)(8)(a)** (with [Sch. 1 para. 34\(8\)\(b\)](#))
- F15** Words in reg. 12 Table 4 omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 34(7)(8)(a)** (with [Sch. 1 para. 34\(8\)\(b\)](#))

^{F16}Lifetime annuity — new annuity not a lifetime annuity for the purposes of Part 4

13. In a case within paragraph 3(2B)(a) of Schedule 28 (transfer of sums or assets on cessation of lifetime annuity) where—

- (a) a new annuity becomes payable,
- (b) the member becomes entitled to it on or after 6th April 2015,
- (c) it would be a lifetime annuity but for this regulation,
- (d) the terms of the contract for it are such that there will or could be decreases in its amount other than allowed decreases, and
- (e) the member became entitled to the original lifetime annuity before 6th April 2015, or sums or assets (or both) derived from a transfer or a series of transfers of sums or assets (or both) from an insurance company in respect of a lifetime annuity to which the member became entitled before 6th April 2015 were applied towards the provision of the original lifetime annuity,

the new annuity is not a lifetime annuity for the purposes of Part 4.

Textual Amendments

- F16** Regs. 13-18 inserted (6.4.2015) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2015 \(S.I. 2015/633\)](#), regs. 1, **3**

Short-term annuity: new annuity not a short-term annuity for the purposes of Part 4

14. In any case within paragraph 6(1B) of Schedule 28 (transfer of sums or assets on cessation of short-term annuity) where—

- (a) a new annuity becomes payable,
- (b) the member becomes entitled to it on or after 6th April 2015,
- (c) it would be a short-term annuity but for this regulation,
- (d) the terms of the contract for it are such that there will or could be decreases in its amount other than allowed decreases, and
- (e) the member became entitled to the original short-term annuity before 6th April 2015, or sums or assets (or both) derived from a transfer or a series of transfers of sums or assets (or both) from an insurance company in respect of a short-term annuity to which the member became entitled before 6th April 2015 were applied towards the provision of the original short-term annuity,

the new annuity is not a short-term annuity for the purposes of Part 4.

Textual Amendments

F16 Regs. 13-18 inserted (6.4.2015) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2015 \(S.I. 2015/633\)](#), regs. 1, 3

Dependants' annuity: new annuity not a dependants' annuity for the purposes of Part 4

15.—(1) In any case within paragraph 17(3) of Schedule 28 (transfer of sums or assets on cessation of dependants' annuity) where—

- (a) a new annuity becomes payable,
- (b) the dependant becomes entitled to it on or after 6th April 2015,
- (c) it would be a dependants' annuity but for this regulation,
- (d) the terms of the contract for it are such that there will or could be decreases in its amount other than allowed decreases, and
- (e) condition A, B, C or D is met,

the new annuity is not a dependants' annuity for the purposes of Part 4.

(2) Condition A is that the dependant became entitled to the original dependants' annuity before 6th April 2015.

(3) Condition B is that sums or assets (or both) derived from a transfer or a series of transfers of sums or assets (or both) from an insurance company, in respect of a dependants' annuity to which the dependant became entitled before 6th April 2015, were applied towards the provision of the original dependants' annuity.

(4) Condition C is that the original dependants' annuity was purchased together with a lifetime annuity payable to the member and the member became entitled to that lifetime annuity before 6th April 2015.

(5) Condition D is that sums or assets (or both) derived from a transfer or a series of transfers of sums or assets (or both) from an insurance company, in respect of a dependants' annuity that was purchased together with a lifetime annuity payable to the member and the member became entitled to that lifetime annuity before 6th April 2015, were applied towards the provision of the original dependants' annuity.

Status: Point in time view as at 01/09/2015.

Changes to legislation: There are currently no known outstanding effects for the The Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006. (See end of Document for details)

(6) For the purposes of paragraphs (4) and (5) a dependants' annuity is purchased together with a lifetime annuity if the dependants' annuity is related to the lifetime annuity.

Textual Amendments

F16 Regs. 13-18 inserted (6.4.2015) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2015 \(S.I. 2015/633\)](#), regs. 1, 3

Dependants' short-term annuity: new annuity not a dependants' short-term annuity for the purposes of Part 4

16. In any case within paragraph 20(1B) of Schedule 28 (transfer of sums or assets on cessation of dependants' short-term annuity) where—

- (a) a new annuity becomes payable,
- (b) the dependant becomes entitled to it on or after 6th April 2015,
- (c) it would be a dependants' short-term annuity but for this regulation,
- (d) the terms of the contract for it are such that there will or could be decreases in its amount other than allowed decreases, and
- (e) the dependant became entitled to the original dependants' short-term annuity before 6th April 2015, or sums or assets (or both) derived from a transfer or a series of transfers of sums or assets (or both) from an insurance company in respect of a dependants' short-term annuity to which the dependant became entitled before 6th April 2015 were applied towards the provision of the original dependants' short-term annuity,

the new annuity is not a dependants' short-term annuity for the purposes of Part 4.

Textual Amendments

F16 Regs. 13-18 inserted (6.4.2015) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2015 \(S.I. 2015/633\)](#), regs. 1, 3

Nominees' short-term annuity — unauthorised payments

17. In any case within paragraph 27C(2) of Schedule 28 (transfer of sums or assets on cessation of nominees' short-term annuity) except where a new nominees' short-term annuity becomes payable, the relevant registered pension scheme is to be treated as making an unauthorised payment in respect of the member of an amount equal to the aggregate of the amount of the sums and the market value of the assets transferred.

Textual Amendments

F16 Regs. 13-18 inserted (6.4.2015) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2015 \(S.I. 2015/633\)](#), regs. 1, 3

Successors' short-term annuity — unauthorised payments

18. In any case within paragraph 27H(2) of Schedule 28 (transfer of sums or assets on cessation of successors' short-term annuity) except where a new successors' short-term annuity becomes payable, the relevant registered pension scheme is to be treated as making an unauthorised payment

in respect of the member of an amount equal to the aggregate of the amount of the sums and the market value of the assets transferred.]

Textual Amendments

F16 Regs. 13-18 inserted (6.4.2015) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment\) Regulations 2015 \(S.I. 2015/633\)](#), regs. 1, 3

[^{F17}Nominees' annuity — unauthorised payments

19.—(1) In any case within paragraph 27AA(3) of Schedule 28 (transfer of sums or assets on cessation of a nominees' annuity) where a new nominees' annuity becomes payable, to the extent that the amount of the sums and the value of the assets applied to purchase the new nominees' annuity are equal to the amount of the sums and the value of the assets transferred, the new nominees' annuity is to be treated as if it were the original nominees' annuity to determine for the purposes of section 172A(1) and (2) (surrender of benefits or rights under a registered pension scheme) whether a surrender of (or agreement to surrender) rights to payments under a nominees' annuity has occurred.

(2) In any other case within paragraph 27AA(3) the relevant registered pension scheme is to be treated as making an unauthorised payment in respect of the member of an amount equal to the aggregate of the amount of the sums, and the market value of the assets, transferred.

Textual Amendments

F17 Regs. 19, 20 inserted (with effect for the tax year 2015-16 and subsequent years) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/1454\)](#), regs. 1, 3

Successors' annuity — unauthorised payments

20.—(1) In any case within paragraph 27FA(3) of Schedule 28 (transfer of sums or assets on cessation of a successors' annuity) where a new successors' annuity becomes payable, to the extent that the amount of the sums and the value of the assets applied to purchase the new successors' annuity are equal to the amount of the sums and the value of the assets transferred, the new successors' annuity is to be treated as if it were the original successors' annuity to determine for the purposes of section 172A(1) and (2) whether a surrender of (or agreement to surrender) rights to payments under a successors' annuity has occurred.

(2) In any other case within paragraph 27FA(3) the relevant registered pension scheme is to be treated as making an unauthorised payment in respect of the member of an amount equal to the aggregate of the amount of the sums, and the market value of the assets, transferred.]

Textual Amendments

F17 Regs. 19, 20 inserted (with effect for the tax year 2015-16 and subsequent years) by [The Registered Pension Schemes \(Transfer of Sums and Assets\) \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/1454\)](#), regs. 1, 3

Status: Point in time view as at 01/09/2015.

Changes to legislation: There are currently no known outstanding effects for the The Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006. (See end of Document for details)

28th February 2006

Paul Gray
Mike Hanson
Two of the Commissioners for Her Majesty's
Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in relation to the transfer of sums and assets by registered pension schemes and insurance companies under Part 4 of the Finance Act 2004 (c. 12).

Regulation 1 provides for the citation and commencement of the Regulations, and regulation 2 for the interpretation of certain terms used in them.

Regulation 3 makes provision in relation to scheme pensions payable by registered pension schemes and provides that a transfer of sums or assets in respect of a scheme pension (“the original scheme pension”) from one registered pension scheme to another where another scheme pension (“the new scheme pension”) is provided is a recognised transfer. The new scheme pension is to be treated as the original scheme pension for the purposes prescribed in table 1.

Regulation 4 makes provision in relation to scheme pensions payable by insurance companies and provides for a new scheme pension payable by an insurance company following a transfer of sums or assets to be treated as the original scheme pension for the purposes prescribed in table 1.

Regulation 5 prescribes certain transfers within regulations 3 and 4 for the purposes of paragraph 2(4) of Schedule 28 to the Finance Act 2004 (scheme pension: satisfying conditions) to avoid an unauthorised payments charge on the transfer.

Regulation 6 makes provision in relation to lifetime annuities and provides that where a new lifetime annuity is payable following a transfer of sums or assets it is treated as the original lifetime annuity for the purposes prescribed in table 2, other transfers are treated as unauthorised payments.

Regulation 7 makes provision in relation to short-term annuities and provides that where a short-term annuity ceases to be paid on a transfer of sums and assets the transfer is treated as an unauthorised payment except where a new short-term annuity becomes payable.

Regulation 8 makes provision in relation to dependants' scheme pensions payable by registered pension schemes and provides that a transfer of sums or assets in respect of a dependants' scheme pension from one registered pension scheme to another where another dependants' scheme pension is provided is a recognised transfer.

Regulation 9 makes provision in relation to dependants' scheme pensions payable by insurance companies and provides that where a dependants' scheme pension ceases to be paid on a transfer of sums and assets the transfer is treated as an unauthorised payment except where a new dependants' scheme pension becomes payable.

Regulation 10 makes provision in relation to dependants' annuities and provides that where a dependants' annuity ceases to be paid on a transfer of sums and assets the transfer is treated as an unauthorised payment except where a new dependants' annuity becomes payable.

Regulation 11 makes provision in relation to dependants' short-term annuities and provides that where a dependants' short-term annuity ceases to be paid on a transfer of sums and assets the transfer is treated as an unauthorised payment except where a new dependants' short-term annuity becomes payable.

Regulation 12 makes provision in relation to unsecured pension funds, alternatively secured pension funds, dependants' unsecured pension funds and dependants' alternatively secured pension funds and provides that a transfer of sums and assets from one arrangement to a new arrangement under which no other sums or assets are held is a recognised transfer. The sums and assets transferred are

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treated as remaining sums and assets held under the old arrangement for the purposes prescribed in tables 3 to 6.

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 Inland Revenue website at www.inlandrevenue.gov.uk/ria/simplifying-pensions.pdf or obtained by writing to HM Revenue and Customs, Capital & Savings Ministerial Correspondence Unit, 1st Floor, Ferrers House, PO Box 38, Castle Meadow Road, Nottingham, NG2 1BB.

Status:

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Changes to legislation:

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