

2012 No. 2940

INCOME TAX

**The Registered Pension Schemes (Relevant Annuities)
(Amendment) Regulations 2012**

<i>Made</i>	- - - -	<i>23rd November 2012</i>
<i>Laid before the House of Commons</i>		<i>27th November 2012</i>
<i>Coming into force</i>	- -	<i>21st December 2012</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by paragraphs 14(2) and 14(3) of Schedule 28 to the Finance Act 2004(a), and now exercisable by them, and section 282(A1) of the Finance Act 2004(b).

Citation, commencement, interpretation and effect

1.—(1) These Regulations may be cited as the Registered Pension Schemes (Relevant Annuities) (Amendment) Regulations 2012 and come into force on 21st December 2012.

(2) In these Regulations “the 2006 Regulations” means the Registered Pension Schemes (Relevant Annuities) Regulations 2006(c).

(3) The amendments made by these Regulations have effect in relation to—

- (a) relevant dates (as defined in regulations 3(2) and 3(3) of the 2006 Regulations) falling on or after 21st December 2012,
- (b) reference periods beginning on or after 21st December 2012, in relation to which the relevant date falls prior to 21st December 2012, and
- (c) drawdown pension years beginning on or after 21st December 2012 and after the member or dependant's 75th birthday, in relation to which the relevant date falls prior to 21st December 2012.

Amendment of the 2006 Regulations

2.—(1) Regulation 3 of the 2006 Regulations (definition of “annual amount”) is amended as follows.

(2) For sub-paragraph (1)(b) substitute—

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- (a) 2004 c. 12; the powers in paragraphs 14(2) and 14(3) were conferred on the Board of Inland Revenue. Section 279(1) defines “the Board of Inland Revenue” for these purposes as meaning “the Commissioners of Inland Revenue”. These functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that, in consequence, the reference to the Commissioners of Inland Revenue (however expressed) is to be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
 - (b) Section 282(A1) was inserted by section 75(1) of the Finance Act 2009 (c. 10).
 - (c) S.I. 2006/129, amended by S.I. 2011/1751.

“(b) the purchaser were male and the same age as the member or dependant (but in any case where that age is greater than 85, it shall be treated as 85).”.

(3) In paragraph (2)(a)(i) for “paragraph 10(3)(a) or 24(3)(a)” substitute “paragraph 10(3) or 24(3)”.

*Nick Lodge
Simon Bowles*

23rd November 2012

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Registered Pension Schemes (Relevant Annuities) Regulations 2006 (the “2006 Regulations”). The 2006 Regulations provide definitions for the terms “relevant annuity” and “annual amount” for the purposes of calculating the “basis amount” referred to in sections 165 and 167 of the Finance Act 2004 (“FA 2004”).

Regulation 1 provides for the citation, commencement, interpretation and effect. These Regulations have retrospective effect where, in accordance with Schedule 28 to FA 2004, pension schemes and insurers can calculate the “annual amount” of a “relevant annuity” in advance for “reference periods” and “drawdown pension years” starting on or after the date these Regulations come into force. Power to make legislation with retrospective effect is contained in section 282(A1) of FA 2004, which allows regulations made under FA 2004 (including under Schedule 28) to include provision having effect in relation to times before they are made if that provision does not increase any person’s liability to tax.

Regulation 2 makes two amendments to the 2006 Regulations. Firstly regulation 2(2) amends regulation 3(1) of the 2006 Regulations so as to change the assumption about the sex of the hypothetical purchaser of the “relevant annuity” to assume that all such purchasers are male, instead of the same sex as the relevant pension scheme member or dependant. This change means that only the male tables, published for this purpose by the Government Actuary’s Department, will be used for individuals aged 23 and over (the single table for those aged under 23 will continue to be used for that age group).

The opportunity is also taken to make a minor technical amendment to regulation 3(2) to make it clear that the “relevant date” in relation to a second or subsequent “reference period” is the “nominated date” as defined in paragraphs 10(3) and 24(3) of Schedule 28 to FA 2004.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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£4.00

E5075 11/2012 125075 19585

ISBN 978-0-11-153121-1



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