

2015 No.

INCOME TAX

The Registered Pension Schemes (Provision of Information)
(Amendment No. 2) Regulations 2015

Made - - - - - ***

Laid before the House of Commons **

Coming into force - - *

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 251 of the Finance Act 2004(a) and now exercisable by them(b), and section 282(A1) of that Act(c).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Registered Pension Schemes (Provision of Information) (Amendment No. 2) Regulations 2015 and come into force on [XXX].

(2) The amendments in regulations 3 to 10 have effect for the tax year 2015-16 and subsequent years.

(3) The amendment in regulation 11 has effect in respect of transfers on or after 6th April 2015.

Amendment of the Registered Pension Schemes (Provision of Information) Regulations 2006

2. The Registered Pension Schemes (Provision of Information) Regulations 2006(d) are amended as follows.

3. In regulation 7(3)(a) (percentage of standard lifetime allowance expended on the happening of a benefit crystallisation event: application to other provisions)(e) after “(2A)” insert “, (2B)”.

4. Regulation 8 (death: provision of information by scheme administrator to personal representative)(f) is amended as follows—

(a) in paragraph (1) after “(2A)” insert “, (2B)”;

(a) 2004 c. 12; section 251(4) was amended by paragraph 47 of Schedule 10 to the Finance Act 2005 (c. 7) and paragraph 93 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30), and section 251(5)(aa) was inserted by section 49 of the Finance Act 2010 (c. 13).

(b) The 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 insofar as it is appropriate in consequence of section 5, a reference in an enactment, however expressed, to the Commissioners of Inland Revenue is to be treated as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(c) Section 282(A1) was inserted by section 75(1) of the Finance Act 2009 (c. 10).

(d) S.I. 2006/567, amended by paragraphs 35 and 86 to 91 of Schedule 1 to the Taxation of Pensions Act 2014 and by S.I. 2008/720 and 2015/606; there are other amending instruments but none is relevant.

(e) Regulation 7(3)(a) was amended by S.I. 2015/606.

(f) Regulation 8 was amended by S.I. 2008/720 and 2015/606.

- (b) after paragraph (2A) insert—

“(2B) The information is the percentage of the standard lifetime allowance expended, the aggregate of the amount of such of the sums and the market value of such of the assets applied to the purchase of the annuity as are relevant unused uncrystallised funds^(a), and the date on which the person became entitled to the annuity where benefit crystallisation event 5D (entitlement to a dependants’ annuity or nominees’ annuity)^(b) occurs in relation to the member.

The information shall be provided no later than the last day of the period of 3 months beginning with the day on which the person became entitled to the annuity.”, and

- (c) in paragraph (3) after “paragraph (2A)” insert “and any aggregate amount in respect of an entitlement referred to in paragraph (2B)”.

5. Regulation 10 (death: provision of information by personal representatives to the Commissioners)(c) is amended as follows—

- (a) in paragraph (1)(b) after “benefit crystallisation event 5C” insert “ or 5D”.

- (b) in paragraph (1A)(b)(d) for “benefit crystallisation event 7” substitute “benefit crystallisation event 5D or 7”.

- (c) after paragraph (1A) insert—

“(1B) Where—

- (a) benefit crystallisation event 5D (entitlement to a dependants’ annuity or nominees’ annuity) occurs in respect of a deceased member of a registered pension scheme, and

- (b) that entitlement, of itself, or together with any other benefit crystallisation event 5D or any benefit crystallisation event 5C or 7 results in a lifetime allowance charge,

the personal representatives of the member shall provide to the Commissioners the information specified in paragraph (2B).”.

- (d) after paragraph (2A) insert—

“(2B) The information required is—

- (a) the name of the pension scheme which held the relevant unused uncrystallised funds and the name and address of the scheme administrator of that scheme;

- (b) the name of the deceased member whose relevant unused uncrystallised funds were used to purchase the dependants’ annuity or the nominees’ annuity;

- (c) the aggregate of the amount of such of the sums and the market value of such of the assets applied to the purchase of the annuity as are relevant unused uncrystallised funds;

- (d) the date on which the dependant or the nominee (as the case may be) became entitled to the annuity; and

- (e) the chargeable amount in respect of which a lifetime allowance charge is payable by virtue of the dependant or the nominee (as the case may be) becoming entitled to the annuity.”.

- (e) in paragraph (3)(b) for “or (1A)” substitute “, (1A) or (1B)”, and

- (f) in paragraph (5) for “or (1A)” substitute “, (1A) or (1B)”.

(a) Relevant unused uncrystallised funds is defined in paragraph 14C of Schedule 32 to the Finance Act 2004. Paragraph 14C was inserted by paragraph 24(3) of Schedule 2 to the Taxation of Pensions Act 2014 and amended by [FB15].

(b) Benefit crystallisation event 5D was inserted into the table in section 216(1) of the Finance Act 2004 by [FB15].

(c) Regulation 10 was amended by S.I. 2015/606.

(d) Paragraph (1A) was inserted by S.I. 2015/606.

6. In regulation 14(2)(c) (information provided to members by scheme administrators about benefit crystallisation events: exceptions)(a) for “or (2A)” substitute “, (2A) or (2B)”.

7. In regulation 14ZA(4)(b)(ii) (information provided to member by scheme administrator where it appears member may be first flexibly accessing pension rights)(b) after “registered pension scheme” insert “or the scheme manager of a qualifying recognised overseas pension scheme(c) or former qualifying recognised overseas pension scheme”.

8. In regulation 14ZB(6) (passing-on by member of information under regulation 14ZA if active or contributing etc) after “14ZE(3) or (4),” insert “or has complied with regulation 3AB(2) or (3) of the Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006(d),”.

9. In regulation 14ZD(8) (individual to whom flexible drawdown arrangements applied before 6 April 2015 must tell other schemes if active or contributing etc) after “14ZE(3) or (4),” insert “or has complied with regulation 3AB(2) or (3) of the Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006,”.

10. In regulation 14ZE(6) (member to inform other schemes if active or contributing etc and, under paragraph 8C of Schedule 28, drawdown pension fund becomes flexi-access drawdown fund and is flexibly accessed)(e) after “14ZD(3) or (4),” insert “or has complied with regulation 3AB(2) or (3) of the Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006,”.

11. After regulation 17A (transfers between insurance companies)(f) insert—

“Information between insurance companies: transfer of sums or assets representing beneficiaries’ annuities

17B.—(1) This regulation applies if and to the extent to which there is a transfer of sums or assets (or both) which represent—

- (a) a lifetime annuity that is being paid pursuant to pension rule 2 in section 165 (guaranteed period for payment of scheme pension or annuity)(g),
- (b) a dependants’ annuity,
- (c) a non-need annuity, or
- (d) a successors’ annuity,

as a result of which an annuity payable by an insurance company (“Insurer A”) ceases to be payable and a new annuity becomes payable by another insurance company (“Insurer B”) in the circumstances described in regulation 6(1), 10(1)(h), 19(1)(i) or 20(1) (as the case may be) of the Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006(j).

(2) Insurer A shall provide the information specified in paragraph (3) to Insurer B within 3 months of the transfer.

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- (a) Regulation 14(2)(c) was amended by S.I. 2015/606.
 - (b) Regulations 14ZA to 14ZE were inserted by paragraph 87 of Schedule 1 to the Taxation of Pensions Act 2014.
 - (c) Qualifying recognised overseas pension scheme is defined in section 169(2) of the Finance Act 2004.
 - (d) S.I. 2006/208; regulations 3AA to 3AD were inserted by S.I. 2015/673.
 - (e) Regulation 14ZE was amended by S.I. 2015/606.
 - (f) Regulation 17A was inserted by S.I. 2008/720.
 - (g) Pension rule 2 was amended by paragraph 2 of Schedule 19 to the Finance Act 2007 (c. 11) and paragraph 41 of Schedule 1 to the Taxation of Pensions Act 2014.
 - (h) Regulation 10 was substituted by S.I. 2008/1946.
 - (i) Regulations 19 and 20 were inserted by [2nd Transfer Regs].
 - (j) S.I. 2006/499.

- (3) The information is—
- (a) which of the descriptions in paragraphs (1)(a) to (d) applies to the annuity in respect of which the sums or assets (or both) are transferred,
 - (b) where sums or assets (or both) are transferred in respect of a lifetime annuity that is being paid pursuant to pension rule 2 in section 165, a dependants' annuity or a nominees' annuity, the age at death of the deceased member,
 - (c) where sums or assets (or both) are transferred in respect of a successors' annuity, the age at death of the immediately preceding dependant, nominee or successor (as the case may be), and
 - (d) where the deceased member referred to in sub-paragraph (b), or the immediately preceding dependant, nominee or successor referred to in sub-paragraph (c) died before the age of 75—
 - (i) confirmation as to whether or not section 646B(1) to (4) of ITEPA 2003 (registered schemes: beneficiaries' annuities from unused funds) apply to payments of the annuity, and
 - (ii) if so, confirmation as to which of section 646B(1) to (4) apply to those payments.

Information between insurance companies: transfer of sums or assets representing beneficiaries' short-term annuities

17C.—(1) This regulation applies if and to the extent to which there is a transfer of sums or assets (or both) which represent—

- (a) a dependants' short-term annuity,
- (b) a nominees' short-term annuity, or
- (b) a successors' short-term annuity,

as a result of which a short-term annuity payable by an insurance company ("Insurer A") ceases to be payable and a new short-term annuity becomes payable by another insurance company ("Insurer B") in the circumstances described in regulation 11, 17(b) or 18 (as the case may be) of the Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006.

(2) Insurer A shall provide the information specified in paragraph (3) to Insurer B within 3 months of the transfer.

- (3) The information is—
- (a) which of the descriptions in paragraphs (1)(a) to (c) applies to the short-term annuity in respect of which the sums or assets (or both) are transferred,
 - (b) where sums or assets (or both) are transferred in respect of a dependants' short-term annuity or a nominees' short-term annuity, the age at death of the deceased member,
 - (c) where sums or assets (or both) are transferred in respect of a successors' short-term annuity, the age at death of the immediately preceding dependant, nominee or successor (as the case may be), and
 - (d) where the deceased member referred to in sub-paragraph (b), or the immediately preceding dependant, nominee or successor referred to in sub-paragraph (c) died before the age of 75—
 - (i) confirmation as to whether or not section 646C(1) and (2) of ITEPA 2003 (registered schemes: beneficiaries' annuities from drawdown funds) apply to payments of the annuity, and

(a) 2003 c. 1; sections 646B and 646C were inserted by [FB15].
 (b) Regulations 17 and 18 were inserted by S.I. 2015/633.

(ii) if so, confirmation as to which of section 646C(1) and (2) apply to those payments.”.

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567) (“the 2006 Regulations”).

Regulation 1 provides that the amendments made by regulations 3 to 10 have effect from the tax year 2015-16 and that the amendment made by regulation 11 applies to transfers on or after 6th April 2015. Power to make legislation with retrospective effect is contained in section 22(A1) of the Finance Act 2004 (c. 12), which allows regulations made under Part 4 of that Act (including under section 251) 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.

Regulations 3 to 6 amend the information obligations in regulations 7, 10 and 14 of the 2006 Regulations to reflect the additional pensions flexibilities in relation to annuities introduced by [XXX] of the Finance Act 2015 (c. XX).

Regulations 7 to 10 amend the information obligations in regulations 14ZA, 14ZB, 14ZD and 14ZE of the 2006 Regulations to prevent the same information being to be provided twice in respect of overseas pension schemes.

Regulation 11 inserts new regulations 17B and 17C into the 2006 Regulations. These new information obligations again reflect the additional pensions flexibilities in relation to annuities introduced by [XXX] of the Finance Act 2015.

An updated Tax Information and Impact Note was published on 10 December 2014 alongside the Taxation of Pensions Act 2015 and is available on the government website at <https://www.gov.uk/government/publications/pension-flexibility-2015>. It remains an accurate summary of the impacts that apply to this instrument.