

2016 No.

INCOME TAX

**The Income Tax (Pay As You Earn) (Amendment) Regulations
2016**

<i>Made</i>	- - - -	***
<i>Laid before the House of Commons</i>		***
<i>Coming into force</i>	- -	***

The Commissioners for Her Majesty’s Revenue and Customs make the following Regulations in exercise of the powers conferred by section 684 of the Income Tax (Earnings and Pensions) Act 2003 and now exercisable by them^(a).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment) Regulations 2016 and come into force on 6th April 2016.

(2) These Regulations have effect in relation to payments made on or after 6th April 2016.

Amendment of the Income Tax (Pay As You Earn) Regulations 2003

2. Amend Schedule A1 (real time returns)^(b) to the Income Tax (Pay As You Earn) Regulations 2003 by inserting after paragraph 22B(c)—

“**22C.**—(1) If applicable, an indication that comprised within the payment is an amount in respect of a reportable payment and in that case the amount of that payment.

(2) For the purposes of sub-paragraph (1) a “reportable payment” is—

- (a) a payment of an uncrystallised funds pension lump sum,
- (b) a lifetime annuity under a flexible annuity contract, or
- (c) a payment made out of—
 - (i) a fund referred to in section 227G(2), (4) or (5) of the Finance Act 2004^(d),
 - (ii) an arrangement referred to in section 227G(3) of the Finance Act 2004, or
 - (iii) a scheme pension referred to in section 227G(9) of the Finance Act 2004.

(3) For the purposes of sub-paragraph (2)—

(a) 2003 c. 1. Section 684 has been relevantly amended by paragraph 117 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c.11).

(b) S.I. 2003/2682 (“the principal Regulations”), relevant amending instruments are S.I. 2012/822 and 2015/xxx.

(c) Schedule A1 was inserted by regulation 52 of S.I. 2012/822 and paragraph 22B was inserted by [regulation 14 of S.I. 2015/xxx].

(d) 2004 c. 12. Section 227G was inserted by paragraph 65 of Part 4 of Schedule 1 to the Taxation of Pensions Act 2004 (c. 30).

- (a) “flexible annuity contract” has the meaning given by section 227G(8) of the Finance Act 2004, and
- (b) “uncrystallised funds pension lump sum” has the meaning given by paragraph 4A of Schedule 29 to the Finance Act 2004(a).

22D. If applicable, an indication that comprised within the payment is a lump sum to which section 636A(4ZA) of ITEPA(b) applies and in that case the amount of the payment.

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ABC

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Date 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 Income Tax (Pay As You Earn) Regulations 2003 (S.I. 2003/2682) (“the principal Regulations”) which make provision for the assessment, charge, collection and recovery of income tax in respect of all pay as you earn income.

Schedule A1 to the principal Regulations sets out the information which an employer (which includes a pension provider) is required to report to Her Majesty’s Revenue and Customs (“HMRC”) on making a payment to an employee (which includes a pensioner). These Regulations amend Schedule A1 by inserting new paragraphs 22C and 22D which require pension providers to report the payment of certain pension payments which may be paid following the Taxation of Pensions Act 2014 (c. 30) and section [x] of the Finance (No. 2) Act 2015 [xx].

A Tax Information and Impact Note in relation to the new reporting requirements introduced by this instrument was published on 8 August 2014 and updated on 10 December 2014 and is available at www.gov.uk/government/publications/pension-flexibility-2015. It remains an accurate summary of the impacts that apply to this instrument.

(a) Paragraph 4A was inserted by paragraph 57 of Part 3 of Schedule 1 to the Taxation of Pensions Act 2014.

(b) 2003 c. 1. Section 636A was inserted by paragraph 11 of Schedule 31 to the Finance Act 2004 and has been amended by paragraph 28 of Schedule 19 and Part 3(1) of Schedule 27 to the Finance Act 2007 (c. 11), paragraph 42 of Schedule 16 to the Finance Act 2011 (c. 11), paragraph 5(3) of Schedule 5 to the Finance Act 2014 (c. 26), paragraphs 31 and 62 of Schedule 1 and paragraph 19 of Schedule 2 to the Taxation of Pensions Act 2014 and section 22 of the Finance Act 2015 (c. 33) and regulation 5 of S.I. 2006/569. Section 636A(4) was substituted and section 636A(4ZA) was inserted by section 22 of the Finance (No. 2) Act 2015. “ITEPA” is defined in regulation 2 of the principal Regulations as meaning the Income Tax (Earnings and Pensions) Act 2003.