

**2006 No. 210**

**INCOME TAX**

**The Employer-Financed Retirement Benefits (Excluded Benefits  
for Tax Purposes) Regulations 2006**

<i>Made</i> - - - -	<i>1st February 2006</i>
<i>Laid before the House of Commons</i>	<i>2nd February 2006</i>
<i>Coming into force</i> - -	<i>6th April 2006</i>

The Commissioners for Her Majesty's Revenue and Customs<sup>(a)</sup> make the following regulations in exercise of the powers conferred by section 393B(3)(d) of the Income Tax (Earnings and Pensions) Act 2003<sup>(b)</sup>:

**Citation and commencement**

1. These Regulations may be cited as the Employer-Financed Retirement Benefits (Excluded Benefits for Tax Purposes) Regulations 2006 and come into force on 6th April 2006.

**Excluded benefit**

2.—(1) For the purposes of section 393B(3)(d) of the Income Tax (Earnings and Pensions) Act 2003 (prescribed benefits to be excluded benefits for the purpose of Chapter 2 of Part 6 of that Act) a lump sum benefit which is—

- (a) in respect of the non-accidental death of an employee during service, and
- (b) already provided for under the rules of a scheme on 6<sup>th</sup> April 2006,

is prescribed.

(2) In paragraph (1) “scheme” means any scheme which, on 6th April 2006—

- (a) will be an employer-financed retirement benefits scheme, or
- (b) would be such a scheme but for the fact that it provides for a benefit which is an excluded benefit by virtue of this regulation.

(3) In paragraph (2) “employer-financed retirement benefits scheme” has the meaning given in section 393A of the Income Tax (Earnings and Pensions) Act 2003.

*David Varney*  
*Mike Hanson*

1st February 2006

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

---

(a) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c.11). Section 50(1) of that Act provides that a reference to the Commissioners of Inland Revenue (however expressed) shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(b) 2003 c.1: section 393B was inserted, together with section 393A, by way of substitution for section 393 as originally enacted, by section 249(3) of the Finance Act 2004 (c.12).

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations prescribe a lump sum benefit as an excluded benefit if it meets the following conditions. The conditions are that—

- (a) it is paid by an employer-financed retirement benefit scheme in respect of an employee's non-accidental death in service, and
- (b) payment of such a lump sum benefit is already provided for under the rules of the scheme on 6<sup>th</sup> April 2006.

The effect is to exempt such a lump sum from the charge to income tax under section 396 of the Income Tax (Earnings and Pensions) Act 2003 (c. 1).

Regulation 1 provides for the citation and commencement of these Regulations.

Regulation 2 prescribes the lump sum benefit.

These Regulations do not impose new costs on business.

**£3.00**

© Crown copyright 2006

Printed and published in the UK by The Stationery Office Limited  
under the authority and superintendence of Carol Tullo, Controller of Her Majesty's  
Stationery Office and Queen's Printer of Acts of Parliament.

E0103 2/2006 160103T 19585