

EXPLANATORY MEMORANDUM TO
THE REGISTERED PENSION SCHEMES (PROVISION OF
INFORMATION) (AMENDMENT) REGULATIONS 2008

2008 No. 720

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

This memorandum contains information for the Select Committee on Statutory Instruments.

- 2. Description**

These Regulations amend the Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567) ("the principal Regulations"). The amendments reflect changes in the information that administrators of registered pension schemes need to submit to Her Majesty's Revenue and Customs ("HMRC") and that insurance companies need to provide to other insurers and scheme members.

- 3. Matters of special interest to the Select Committee on Statutory Instruments.**

None

- 4. Legislative Background**

4.1 Part 4 of the Finance Act 2004 sets out the rules for the taxation of pension schemes that apply from 6 April 2006. The principal Regulations specify the events which require the administrators of registered pension schemes to make a report of prescribed information to HMRC.

4.2 These Regulations amend the principal Regulations to reflect changes in the information requirements in connection with registered pension schemes. These changes primarily arise from amendments made by the Finance Act 2007 to the main provisions on the taxation of pension schemes in the Finance Act 2004, and also from the relaxing of administrative burdens. Other changes clarify the circumstances under which information is required when a stand alone lump sum is paid and ensure that information passes between insurers when certain types of transfers of pension benefits take place.

4.3 These Regulations are made under sections 251(1)(a) and (b), 4(a) and (b), (5) and (6) of the Finance Act 2004. The changes apply to reportable events that take place on or after 6 April 2008.

- 5. Territorial Extent and Application**

These regulations apply to all of the United Kingdom.

6 European Convention on Human Rights

As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7 Policy Background

7.1 The simplified tax regime for pension schemes was introduced in the Finance Act 2004 and came into effect on 6 April 2006. The principal Regulations require pension scheme administrators to provide HMRC with information when specific events occur.

7.2 The principal Regulations were amended by the Registered Pension Schemes (Provision of Information) (Amendment) Regulations 2006 (S.I. 2006 No 1961) to introduce additional events requiring an information report. These Regulations make further changes to the current event report requirements.

7.3 Regulation 3 makes changes to the reportable events in regulation 3(1) of the principal Regulations mainly reflecting changes in the pension scheme information requirements for alternatively secured pensions and pensions paid early due to ill health arising from the Finance Act 2007. Regulation 4 exempts the administrators of most deferred annuity contracts from having to make an information return under regulation 4 of the principal Regulations when those contracts are wound-up. Regulation 5 updates a statutory reference. Regulation 6 prevents the same information being required by both regulation 14 and the new regulation 17A (that regulation 7 introduces). New regulation 17A ensures that the information reporting requirements of the principal Regulations are passed on when the obligation to pay a lifetime annuity or scheme pension is transferred between insurers.

8. Impact

8.1 A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

8.2 A regulatory impact assessment in respect of the provisions of Part 4 of Finance Act 2004 and the subordinate legislation that was expected to be made under it was published by the former Board of Inland Revenue on 8th April 2004. The assessment is available on Her Majesty's Revenue and Customs's website at <http://www.hmrc.gov.uk/ria/simplifying-pensions.pdf> or (for hard copies) by writing to the Ministerial Correspondence Unit, 1st Floor, Ferrers House, P O Box 38, Castle Meadow Road, Nottingham, NG2 1BB.

9. Contact

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