

*These notes refer to the Income Tax (Earnings and Pensions)
Act 2003 (c.1) which received Royal Assent on 6th March 2003*

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Example 3

Ne = £5,000; Da = 183; De = 183; Smg = 0

Part 9: Pension Income

Overview

Chapter 7: Former approved superannuation funds

Overview

Section 590: Annuities

2365. This section applies to annuities paid by former approved superannuation funds. It derives from section 608(4) of ICTA.
2366. “Former approved superannuation fund” means an occupational pension scheme that was approved under section 208 of ICTA 1970. These schemes lost their approval in 1980 when the code for retirement benefit schemes in Chapter 1 of Part 14 of ICTA took full effect. But section 608 of ICTA allows a scheme approved under section 208 of ICTA 1970 to remain exempt from income tax on its fund income provided two conditions are met. First, no further contributions are made into the scheme. Second, no changes are made to the scheme rules.
2367. The section uses the same language as section 580 to identify the arrangements under which the annuities are paid.