
STATUTORY INSTRUMENTS

2001 No. 943

PENSIONS

The Occupational and Personal Pension Schemes (Perpetuities and Contracting-out) Amendment Regulations 2001

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| <i>Made</i> | - - - - | <i>13th March 2001</i> |
| <i>Laid before Parliament</i> | | <i>15th March 2001</i> |
| <i>Coming into force</i> | - - | <i>6th April 2001</i> |

The Secretary of State for Social Security, in exercise of powers conferred by sections 9(3)(aa), (5) and (6)(a), 163, 181(1) and 182(2) and (3) of the Pension Schemes Act 1993(1) and of all other powers enabling him in that behalf, after consultation with such persons as he considers appropriate(2), hereby makes the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Occupational and Personal Pension Schemes (Perpetuities and Contracting-out) Amendment Regulations 2001 and shall come into force on 6th April 2001.

Amendment of the Personal and Occupational Pension Schemes (Perpetuities) Regulations 1990

2. In regulation 3 of the Personal and Occupational Pension Schemes (Perpetuities) Regulations 1990 (occupational pension schemes prescribed for purposes of exemption from rule against perpetuities)(3) —

- (a) in paragraph (3) after the word “fund” there shall be inserted the words “to which section 615(3) of the Taxes Act (fund established in connection with foreign trade or undertaking)(4) applies, or”;
- (b) in paragraph (5) for the words from “Taxes Act” (where those words first occur) to “Taxes Act” (where they next occur) there shall be substituted the words “Taxes Act or a personal

(1) 1993 c. 48; paragraph (aa) was inserted in section 9(3) by section 136(4) of the Pensions Act 1995 (c. 26) and amended by paragraph 35(3) of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2); section 181(1) is cited for the definitions of “prescribed” and “regulations”.

(2) See section 185(1) of the Pension Schemes Act 1993 as amended by paragraph 46 of Schedule 3, paragraph 80 of Schedule 5, and Part I of Schedule 7, to the Pensions Act 1995.

(3) S.I. 1990/1143; relevant amendments were made by S.I. 1994/1062.

(4) See section 615(6) of the Income and Corporation Taxes Act 1988 (c. 1) (“the Taxes Act”).

pension scheme (within the meaning of that Part) so approved for the purposes of Chapter IV of that Part; and where an application has been made for approval (in either such case); and

- (c) in paragraph (6)—
- (i) after the word “under” there shall be inserted the words “section 192(3) or”, and
 - (ii) after the words “purposes of” there shall be inserted the words “Chapter IV or, as the case may be,”.

Amendment of the Occupational Pension Schemes (Contracting-out) Regulations 1996

3. In regulation 40 of the Occupational Pension Schemes (Contracting-out) Regulations 1996 (schemes which may not be contracted-out under section 9(3) of the Pension Schemes Act 1993)⁽⁵⁾ for the words from “a scheme” to “Taxes Act” there shall be substituted the words “an occupational pension scheme which is not an exempt approved scheme within the meaning of section 592(1) of the Taxes Act or which is not an approved personal pension scheme under Chapter IV of Part XIV of that Act⁽⁶⁾”.

Amendment of the Personal Pension Schemes (Appropriate Schemes) Regulations 1997

4. In regulation 2 of the Personal Pension Schemes (Appropriate Schemes) Regulations 1997 (forms of schemes which may be appropriate schemes)⁽⁷⁾—

- (a) for paragraph (1) there shall be substituted the following paragraph:-
- “(1) A personal pension scheme can be an appropriate scheme only if—
- (a) it is approved by the Inland Revenue—
 - (i) under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988, or
 - (ii) under Chapter I of that Part by reference to section 591(2)(h) of that Act; and
 - (b) it is a scheme—
 - (i) which is a stakeholder pension scheme under Part I of the Welfare Reform and Pensions Act 1999⁽⁸⁾, but which is not a self-invested personal pension scheme, or
 - (ii) which takes one of the forms (but not more than one) specified in paragraph (2).”;
- (b) after paragraph (3) there shall be inserted the following paragraph:-
- “(4) In this regulation, “self-invested personal pension scheme” has the meaning given by regulation 3 of the Personal Pension Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001⁽⁹⁾.”.

(5) S.I. 1996/1172, to which there are amendments not relevant to these Regulations.

(6) See Chapters I and IV of Part XIV of the Taxes Act, as amended by Schedule 13 to the Finance Act 2000 (c. 17).

(7) S.I. 1997/470, to which there are amendments not relevant to these Regulations.

(8) 1999 c. 30.

(9) S.I. 2001/117.

Signed by authority of the Secretary of State for Social Security.

13th March 2001

Jeff Rooker
Minister of State,
Department of Social Security

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend one instrument which provides for certain pension schemes to be exempt from the application of the rule against perpetuities and two which are concerned with the arrangements whereby occupational and personal pension schemes may be contracted-out under Part III of the Pension Schemes Act 1993 (“the 1993 Act”).

Regulation 2 amends the Personal and Occupational Pension Schemes (Perpetuities) Regulations 1990 principally to take account of changes made by Schedule 13 to the Finance Act 2000 under which certain occupational pension schemes may from 6th April 2001 receive approval for tax relief purposes under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988. An amendment is also made by regulation 3 in the Occupational Pension Schemes (Contracting-out) Regulations 1996 for the same purpose.

Regulation 4 amends the Personal Pension Schemes (Appropriate Schemes) Regulations 1997 to include, among the personal pension schemes which may be appropriate schemes (and accordingly contracted-out under Part III of the 1993 Act), stakeholder pension schemes which are not self-invested personal pension schemes.

These Regulations impose no new costs on business.