

These notes relate to the Scottish Parliamentary Pensions Act 2009 (asp 1) which received Royal Assent on 25 February 2009

SCOTTISH PARLIAMENTARY PENSIONS ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part R Taxes

Rule 99: Deductions for tax arising on lump sum payments

413. Under the Finance Act 2004, a short service refund lump sum charge arises where a short service refund lump sum is paid by a registered pension scheme. Part M provides the rules for payment of short service refunds. There is a tax charge on these payments which is calculated in accordance with section 205 of the Finance Act 2004. Rule 99 makes provision for the charge to be deducted from any short service lump sum before it is paid to an individual. In effect, the deduction is equivalent to the income tax relief originally granted on the scheme member's contributions.