

SCHEDULE 1 SCOTTISH PARLIAMENTARY PENSION SCHEME

PART R

TAXES

2004 Act terms

- 96 In this Part—
- “the 2004 Act” means the Finance Act 2004 (c. 12),
 - “event” means a benefit crystallisation event listed in the table in section 216 of the 2004 Act,
 - “lifetime allowance charge” has the meaning given by section 214 of the 2004 Act,
 - “scheme administrator” means the scheme administrator of the scheme for the purposes of section 217 of the 2004 Act (see sections 270 to 274 of the 2004 Act), and
 - “unauthorised charge” means an unauthorised payments charge (see section 208 of the 2004 Act) or an unauthorised payments surcharge (see section 210 of the 2004 Act).

Payment of lifetime allowance charge by scheme administrator

- 97 (1) The scheme administrator may pay a lifetime allowance charge for which the administrator is liable under section 217 of the 2004 Act.
- (2) But such a payment may be made only if the individual with whom the scheme administrator is jointly and severally liable—
- (a) requests the scheme administrator to make the payment on or before the date of the event in respect of which the lifetime allowance charge arises, and
 - (b) pays the amount concerned to the scheme administrator on or before that date.

Payment of lifetime allowance charge from Pension Fund

- 98 (1) If rule 97(2) prevents the scheme administrator from paying a lifetime allowance charge for which the administrator is liable under section 217 of the 2004 Act, the charge is to be paid from the Pension Fund.
- (2) Following such a payment, a reduction is to be made—
- (a) where liability arose in respect of event 8, to the amount or value of the transferred sums or assets, or
 - (b) where liability arose in respect of any other event, to the amount or value of the benefits payable from the Fund to or in respect of the individual with whom the scheme administrator was jointly and severally liable.
- (3) A reduction under rule 98(2) must, in the scheme actuary’s opinion, fully reflect the corresponding amount paid under rule 97.

Status: This is the original version (as it was originally enacted).

Deductions for tax arising on lump sum payments

- 99 Any tax due under section 205 of the 2004 Act in respect of a short service lump sum (see rule 72) is to be deducted from that sum before it is paid.

Reduction of benefits which would otherwise attract unauthorised charge

- 100 Where an unauthorised charge would (but for this rule) arise in respect of any payment from the Pension Fund, that payment must be—
- (a) reduced to an amount just below the amount which would otherwise cause that charge to arise, or
 - (b) where no such reduction is possible, withheld in accordance with rule 101.

Prohibition on payments which would give rise to liability for certain taxes

- 101 Nothing in the scheme authorises any payment from the Pension Fund if making that payment would give rise to liability for a scheme sanction charge (see section 239 of the 2004 Act) or a de-registration charge (see section 242 of the 2004 Act).
Any payment which would, but for this rule, be made under the scheme is not to be made.