
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Part 5. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 5

MISCELLANEOUS AMENDMENTS

Pension commencement lump sums

- 70 (1) In paragraph 3A(3) of Schedule 29 to FA 2004 (pension commencement lump sum: when pension scheme is to be treated as making an unauthorised payment) for the words “1% of the standard lifetime allowance on that day” substitute “£7,500”.
- (2) The amendment made by sub-paragraph (1) has effect in relation to pension commencement lump sums paid on or after 6 April 2015.

Trivial commutation lump sums and small pot lump sums

- 71 (1) In paragraph 7(1) of Schedule 29 to FA 2004 (meaning of “trivial commutation lump sum”)—
- (a) after paragraph (a) insert—
 - “(aa) it is paid in respect of a defined benefits arrangement,”
 - (b) in paragraph (d) (entitlement to benefits must be extinguished) for “the member's entitlement to benefits” substitute “any entitlement to defined benefits that the member has”, and
 - (c) in paragraph (e) (member must have reached 60) for “the age of 60” substitute “normal minimum pension age (or the ill-health condition is met)”.
- (2) The amendments made by sub-paragraph (1) have effect for commutation periods beginning on or after 6 April 2015 and do so irrespective of whether the nominated date is before, on or after 6 April 2015.
- 72 (1) In article 23C(4) of the Taxation of Pension Schemes (Transitional Provisions) Order 2006 (S.I. 2006/572) (modifications of Schedule 29 to FA 2004) in the inserted paragraph 7A(1)(b) (member must have reached age 60 for certain sums to be trivial commutation lump sums) for “the age of 60” substitute “normal minimum pension age (or the ill-health condition is met)”.
- (2) The amendment made by sub-paragraph (1)—
- (a) has effect for determining whether a lump sum paid on or after 6 April 2015 is within the inserted paragraph 7A, and
 - (b) is to be treated as having been made by the Treasury under the powers to make orders conferred by section 283(2) of FA 2004.

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73 (1) The Registered Pension Schemes (Authorised Payments) Regulations 2009 (S.I. 2009/1171) are amended as follows.

(2) For regulation 10 substitute—

“Payments to members receiving annuities

10 A payment by a registered pension scheme to a member which would be a payment that is described in regulation 11, 11A(1)(a) to (c) or 12 but for the continuance after the payment of an annuity if the member has not previously received a payment, by that scheme, under this regulation.”

(3) In each of regulations 11(1)(a), 11A(1)(a) and 12(1)(c) (member must have reached 60 for certain payments by registered pension scheme to be authorised payments) for “the age of 60” substitute “ normal minimum pension age or the ill-health condition is met (see paragraph 1 of Schedule 28) ”.

(4) The amendments made by sub-paragraphs (2) and (3)—

- (a) have effect for payments made on or after 6 April 2015, and
- (b) are to be treated as having been made by the Commissioners for Her Majesty's Revenue and Customs under the powers to make regulations conferred by section 164(1)(f) and (2) of FA 2004.

Trivial commutation lump sum death benefits

74 (1) Paragraph 20 of Schedule 29 to FA 2004 (trivial commutation lump sum death benefit) is amended as follows.

(2) In sub-paragraph (1) (definition) for the words from “if” to the end substitute “ if condition A or B is met. ”

(3) After sub-paragraph (1) insert—

“(1A) Condition A is that the lump sum—

- (a) is paid to a dependant entitled under the pension scheme to pension death benefit in respect of the member, and
- (b) extinguishes the dependant's entitlement under the pension scheme to pension death benefit and lump sum death benefit in respect of the member.

(1B) Condition B is that—

- (a) the lump sum is paid after the member's death to an individual entitled to be paid a pension under the scheme—
 - (i) which the member was entitled to be paid immediately before the member's death, and
 - (ii) which is payable to the individual under pension rule 2 (see section 165),
- (b) if the pension is an annuity or scheme pension payable by an insurance company, the lump sum extinguishes all entitlements in respect of the member under the contract concerned, and
- (c) if the pension is a scheme pension payable by the scheme administrator, the lump sum extinguishes all entitlements to receive a scheme pension in respect of the member from the scheme administrator under pension rule 2.”

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- (4) In sub-paragraph (2) (excess over £18,000 not a trivial commutation lump sum death benefit) for “£18,000” substitute “ £30,000 ”.
- (5) In consequence of sub-paragraph (4), in Schedule 18 to FA 2011 omit paragraph 6(2).
- (6) The amendments made by this paragraph have effect in relation to lump sum death benefits paid on or after 6 April 2015.

Winding-up lump sum death benefit

- 75 (1) In Schedule 29 to FA 2004 (authorised lump sums) omit paragraph 21 (which has come to have the effect that every winding-up lump sum death benefit is also a trivial commutation lump sum death benefit).
- (2) In consequence of sub-paragraph (1), in Schedule 18 to FA 2011 omit paragraph 7.

Early lifetime annuities

- 76 (1) In paragraph 7 of Schedule 32 to FA 2004 (benefit crystallisation events 2 and 4: early lifetime annuities) after sub-paragraph (3) insert—
 - “(4) Sub-paragraph (5) has effect for the purposes of benefit crystallisation event 2 as it applies in relation to the individual's becoming entitled to the lifetime annuity.
 - (5) If the total of—
 - (a) the sums applied to purchase the lifetime annuity and any related dependants' annuity, and
 - (b) the market value, at the time they are applied, of the assets applied to make the purchase,is greater than the amount that would apart from this sub-paragraph be the amount crystallised by the event, that total is the amount crystallised by the event.”
- (2) The amendment made by sub-paragraph (1) has effect in relation to a lifetime annuity if, applying the rule in section 165(3)(b) of FA 2004, the annuity is one to which an individual becomes entitled on or after 6 April 2015.

Individuals who on 5 April 2006 had actual right to payment of pensions

- 77 (1) In paragraph 20(4)(a) and (b) of Schedule 36 to FA 2004 (lifetime allowance: deemed crystallisation: value of rights to pre-5 April 2006 drawdown pensions) before “the maximum” insert “ 80% of ”.
- (2) The amendment made by sub-paragraph (1) in relation to paragraph 20(4)(a) of that Schedule has effect where the benefit crystallisation event mentioned in the opening words of paragraph 20(2) of that Schedule occurs on or after 6 April 2015.
- (3) The amendment made by sub-paragraph (1) in relation to paragraph 20(4)(b) of that Schedule has effect where—
 - (a) the benefit crystallisation event mentioned in the opening words of paragraph 20(2) of that Schedule occurs on or after 6 April 2015, and
 - (b) section 165(3A) of FA 2004 first applied to the arrangement concerned in a drawdown pension year that began on or after 27 March 2014.

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Transfers between schemes of funds held in respect of individual who has protected pension age

- 78 (1) In Schedule 36 to FA 2004 after paragraph 23 insert—
- “23ZA (1) Sub-paragraph (2) applies if—
- (a) there is a recognised transfer from one registered pension scheme (“the old scheme”) to another registered pension scheme (“the new scheme”), and
 - (b) as a result of paragraph 21 or the previous operation of sub-paragraph (2), immediately before the transfer this Part (except for section 218(6) and paragraph 19) applied in relation to all of the transferred sums or assets as if references to normal minimum pension age were to the member's protected pension age as defined by paragraph 22(8) or, as the case may be, paragraph 23(8).
- (2) This Part (except for section 218(6) and paragraph 19) applies in relation to—
- (a) the transferred sums or assets while held for the purposes of an arrangement under the new scheme, and
 - (b) any sums or assets held for the purposes of such an arrangement that arise, or (directly or indirectly) derive, from—
 - (i) any of the transferred sums or assets, or
 - (ii) sums or assets which so arise or derive,
 as if references to normal minimum pension age were to the member's protected pension age as defined by paragraph 22(8) or, as the case may be, paragraph 23(8).
- (3) Paragraphs 22(7)(a) and 23(7) have effect as if the benefits or pensions to which they refer do not include any that are in respect of sums or assets within sub-paragraph (2)(a) or (b) of this paragraph.”
- (2) The amendment made by sub-paragraph (1) has effect in relation to recognised transfers made on or after 6 April 2015.

Power to make certain payments

- 79 In FA 2004 after section 273A insert—

“273B Power of trustees or managers to make certain payments

- (1) Subsection (2) applies to a payment by a registered pension scheme to or in respect of a person who is or has been a member of the scheme if it is paid in respect of a money purchase arrangement and is—
- (a) a payment of drawdown pension,
 - (b) paid to purchase a short-term annuity,
 - (c) a payment of dependants' drawdown pension,
 - (d) paid to purchase a dependants' short-term annuity,
 - (e) a payment of nominees' drawdown pension,
 - (f) paid to purchase a nominees' short-term annuity,
 - (g) a payment of successors' drawdown pension,

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- (h) paid to purchase a successors' short-term annuity,
 - (i) an uncrystallised funds pension lump sum,
 - (j) a flexi-access drawdown fund lump sum death benefit,
 - (k) a pension commencement lump sum where the person becomes entitled to it in connection with becoming entitled to income withdrawal (or where the person dies after becoming entitled to it but before becoming entitled to the income withdrawal in connection with which it was expected that the person would become entitled to the lump sum), or
 - (l) a trivial commutation lump sum death benefit where condition B in paragraph 20(1B) of Schedule 29 is met.
- (2) The trustees or managers of the scheme may make the payment despite any provision of the rules of the scheme (however framed) prohibiting the making of the payment.”

Temporary non-residence

80 ITEPA 2003 is amended as follows.

81 (1) Section 579CA as substituted by paragraph 117 of Schedule 45 to FA 2013 (pensions under registered pension schemes: temporary non-residents) is amended as follows.

(2) In subsection (2) (relevant withdrawals treated as accruing in the year of return from temporary non-residence) at the end insert

“, but only if the total amount of—

- (a) the relevant withdrawals within subsection (3), and
- (b) the relevant withdrawals (as defined by section 576A(4)) within section 576A(3) for the same temporary period of non-residence, exceeds £100,000”.

(3) For subsection (4) (meaning of “relevant withdrawal”) substitute—

“(4) A “relevant withdrawal” is—

- (a) any income withdrawal paid to the person from a member's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (b) any dependants' income withdrawal paid to the person from a dependant's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (c) any nominees' income withdrawal paid to the person from a nominee's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (d) any successors' income withdrawal paid to the person from a successor's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (e) any payment to the person of a short-term annuity purchased using sums or assets out of a member's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,

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- (f) any payment to the person of a dependants' short-term annuity purchased using sums or assets out of a dependant's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
 - (g) any payment to the person of a nominees' short-term annuity purchased using sums or assets out of a nominee's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
 - (h) any payment to the person of a successors' short-term annuity purchased using sums or assets out of a successor's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
 - (i) any uncrystallised funds pension lump sum paid to the person in respect of an arrangement relating to the person under a registered pension scheme, but only so far as section 579A applies in relation to the sum (see section 636A),
 - (j) any income withdrawal, or dependants' income withdrawal, paid before 6 April 2015 to the person under a registered pension scheme in respect of an arrangement relating to the person under the scheme which at the time of the payment was an arrangement to which section 165(3A) or 167(2A) of FA 2004 applied (flexible drawdown arrangements),
 - (k) any payment to the person of a lifetime annuity or dependants' annuity where—
 - (i) the annuity is within paragraph 3(1A) or 17(1ZA), as the case may be, of Schedule 28 to FA 2004,
 - (ii) the terms of the contract under which the annuity is paid are such that there will or could be decreases in the amount of the annuity other than decreases from time to time allowed by regulations under paragraph 3(1)(d) or 17(1)(c), as the case may be, of Schedule 28 to FA 2004 (and any such regulations are to be treated as having effect for this purpose), and
 - (iii) the annuity is purchased using sums or assets held for the purposes of a registered pension scheme, or
 - (l) any payment to the person of a scheme pension, or dependants' scheme pension, under a money purchase arrangement under a registered pension scheme where—
 - (i) the person first acquired an actual (rather than a prospective) right to receive the scheme pension on or after 6 April 2015,
 - (ii) when the person first acquired that actual right, fewer than 11 other individuals were entitled to the present payment of a scheme pension, or dependants' scheme pension, under the registered pension scheme, and
 - (iii) the scheme pension is not payable under an annuity contract treated under section 153(8) or (8A) of FA 2004 as having become a registered pension scheme.
- (4A) For the purpose of determining whether the figure specified in subsection (2) is exceeded, any relevant withdrawal paid in a currency other than sterling is to be translated into sterling using the average exchange rate for the year

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ending with 31 March in the tax year in which the relevant withdrawal is paid.”

(4) In subsection (7) for the definition of “flexible drawdown arrangement” substitute—

““dependants' annuity”, “dependant's flexi-access drawdown fund”, “dependants' scheme pension”, “dependants' short-term annuity”, “lifetime annuity”, “member's flexi-access drawdown fund”, “money purchase arrangement”, “nominee's flexi-access drawdown fund”, “scheme pension”, “short-term annuity”, “successor's flexi-access drawdown fund” and “uncrystallised funds pension lump sum” have the same meaning as in Part 4 of FA 2004 (see section 152 of FA 2004 and paragraphs 2, 3, 6, 8A, 16 to 16C, 17, 20, 22A, 27E and 27K of Schedule 28, and paragraph 4A of Schedule 29, to FA 2004).”

(5) The amendments made by this paragraph come into force on 6 April 2015.

Commencement Information

II Sch. 1 para. 81 in force at Royal Assent, but see sub-para. (5)

82 (1) The version of section 579CA which has effect if the year of departure is the tax year 2012-13 or an earlier tax year (pensions under registered pension schemes: temporary non-residents) is amended as follows.

(2) In subsection (1)—

- (a) for “income withdrawal or dependants' income withdrawal under the registered pension scheme” substitute “relevant withdrawal paid to a person”
- (b) omit paragraph (a), and
- (c) at the end insert “, but only if the total amount of the relevant withdrawals meeting those conditions, and the relevant withdrawals (as defined by section 576A(4A)) meeting the conditions in section 576A(1) for the same set of years of non-residence, exceeds £100,000”.

(3) After subsection (3) insert—

“(3A) A “relevant withdrawal”, in relation to a person, is—

- (a) any income withdrawal paid to the person from a member's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (b) any dependants' income withdrawal paid to the person from a dependant's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (c) any nominees' income withdrawal paid to the person from a nominee's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (d) any successors' income withdrawal paid to the person from a successor's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,

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- (e) any payment to the person of a short-term annuity purchased using sums or assets out of a member's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (f) any payment to the person of a dependants' short-term annuity purchased using sums or assets out of a dependant's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (g) any payment to the person of a nominees' short-term annuity purchased using sums or assets out of a nominee's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (h) any payment to the person of a successors' short-term annuity purchased using sums or assets out of a successor's flexi-access drawdown fund in respect of an arrangement relating to the person under a registered pension scheme,
- (i) any uncrystallised funds pension lump sum paid to the person in respect of an arrangement relating to the person under a registered pension scheme, but only so far as section 579A applies in relation to the sum (see section 636A),
- (j) any income withdrawal, or dependants' income withdrawal, paid before 6 April 2015 to the person under a registered pension scheme in respect of an arrangement relating to the person under the scheme which at the time of the payment was an arrangement to which section 165(3A) or 167(2A) of FA 2004 applied (flexible drawdown arrangements),
- (k) any payment to the person of a lifetime annuity or dependants' annuity where—
 - (i) the annuity is within paragraph 3(1A) or 17(1ZA), as the case may be, of Schedule 28 to FA 2004,
 - (ii) the terms of the contract under which the annuity is paid are such that there will or could be decreases in the amount of the annuity other than decreases from time to time allowed by regulations under paragraph 3(1)(d) or 17(1)(c), as the case may be, of Schedule 28 to FA 2004 (and any such regulations are to be treated as having effect for this purpose), and
 - (iii) the annuity is purchased using sums or assets held for the purposes of a registered pension scheme, or
- (l) any payment to the person of a scheme pension, or dependants' scheme pension, under a money purchase arrangement under a registered pension scheme where—
 - (i) the person first acquired an actual (rather than a prospective) right to receive the scheme pension on or after 6 April 2015,
 - (ii) when the person first acquired that actual right, fewer than 11 other individuals were entitled to the present payment of a scheme pension, or dependants' scheme pension, under the registered pension scheme, and

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(iii) the scheme pension is not payable under an annuity contract treated under section 153(8) or (8A) of FA 2004 as having become a registered pension scheme.

(3B) For the purpose of determining whether the figure specified at the end of subsection (1) is exceeded, any relevant withdrawal paid in a currency other than sterling is to be translated into sterling using the average exchange rate for the year ending with 31 March in the tax year in which the relevant withdrawal is paid.”

(4) In subsection (4) for “income withdrawal or dependants' income” substitute “relevant”.

(5) In subsection (5) for the definition of “flexible drawdown arrangement” substitute—

““dependants' annuity”, “dependant's flexi-access drawdown fund”, “dependants' scheme pension”, “dependants' short-term annuity”, “lifetime annuity”, “member's flexi-access drawdown fund”, “money purchase arrangement”, “nominee's flexi-access drawdown fund”, “scheme pension”, “short-term annuity”, “successor's flexi-access drawdown fund” and “uncrystallised funds pension lump sum” have the same meaning as in Part 4 of FA 2004 (see section 152 of FA 2004 and paragraphs 2, 3, 6, 8A, 16 to 16C, 17, 20, 22A, 27E and 27K of Schedule 28, and paragraph 4A of Schedule 29, to FA 2004).”

(6) The amendments made by this paragraph come into force on 6 April 2015.

Commencement Information

I2 Sch. 1 para. 82 in force at Royal Assent, but see sub-para. (6)

83 (1) Section 576A as substituted by paragraph 116 of Schedule 45 to FA 2013 (pensions under relevant non-UK schemes: temporary non-residents) is amended as follows.

(2) In subsection (2) (relevant withdrawals treated as accruing in the year of return from temporary non-residence) at the end insert

“, but only if the total amount of—

- (a) the relevant withdrawals within subsection (3), and
- (b) the relevant withdrawals (as defined by section 579CA(4)) within section 579CA(3) for the same temporary period of non-residence, exceeds £100,000”.

(3) For subsection (4) (meaning of “relevant withdrawal”) substitute—

“(4) A “relevant withdrawal” is an amount paid under a relevant non-UK scheme that—

- (a) is paid to the person in respect of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be income withdrawal (within the meaning of paragraph 7 of Schedule 28 to FA 2004) paid to the person from the person's member's flexi-access drawdown fund in respect of the arrangement,

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- (b) is paid to the person in respect of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be dependants' income withdrawal (within the meaning of paragraph 21 of Schedule 28 to FA 2004) paid to the person from the person's dependant's flexi-access drawdown fund in respect of the arrangement,
- (c) is paid to the person in respect of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be nominees' income withdrawal (within the meaning of paragraph 27D of Schedule 28 to FA 2004) paid to the person from the person's nominee's flexi-access drawdown fund in respect of the arrangement,
- (d) is paid to the person in respect of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be successors' income withdrawal (within the meaning of paragraph 27J of Schedule 28 to FA 2004) paid to the person from the person's successor's flexi-access drawdown fund in respect of the arrangement,
- (e) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be a payment of a short-term annuity (within the meaning of paragraph 6 of Schedule 28 to FA 2004) purchased using sums or assets out of the person's member's flexi-access drawdown fund in respect of the arrangement,
- (f) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be a payment of a dependants' short-term annuity (within the meaning of paragraph 20 of Schedule 28 to FA 2004) purchased using sums or assets out of the person's dependant's flexi-access drawdown fund in respect of the arrangement,
- (g) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be a payment of a nominees' short-term annuity (within the meaning of paragraph 27C of Schedule 28 to FA 2004) purchased using sums or assets out of the person's nominee's flexi-access drawdown fund in respect of the arrangement,
- (h) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be a payment of a successors' short-term annuity (within the meaning of paragraph 27H of Schedule 28 to FA 2004) purchased using sums or assets out of the person's successor's flexi-access drawdown fund in respect of the arrangement,
- (i) is paid before 6 April 2015 to the person in respect of an arrangement relating to the person under the scheme which at the time of the payment was an arrangement to which section 165(3A) or 167(2A) of FA 2004 (flexible drawdown arrangements) applied and would, if the scheme had been a registered pension scheme, have been income

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withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to FA 2004),

- (j) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme where—
- (i) the payment would, if the scheme were a registered pension scheme, be of a lifetime annuity or dependants' annuity within paragraph 3(1A) or 17(1ZA), as the case may be, of Schedule 28 to FA 2004, and
 - (ii) the terms of the contract under which it is paid are such that there will or could be decreases in the amount of the annuity other than decreases which, if the scheme were a registered pension scheme, would be decreases from time to time allowed by regulations under paragraph 3(1)(d) or 17(1)(c), as the case may be, of Schedule 28 to FA 2004 (and any such regulations are to be treated as having effect for this purpose), or
- (k) is a payment to the person under a money purchase arrangement relating to the person under the scheme that, if the scheme were a registered pension scheme, would be a payment to the person of a scheme pension that the person would for the purposes of Part 4 of FA 2004 be treated as having become entitled to at a time on or after 6 April 2015 when fewer than 11 other individuals were entitled to present payment of a scheme pension under the scheme.

(4A) For the purpose of determining whether the figure specified in subsection (2) is exceeded, any relevant withdrawal paid in a currency other than sterling is to be translated into sterling using the average exchange rate for the year ending with 31 March in the tax year in which the relevant withdrawal is paid.”

(4) In subsection (9)—

(a) for the definition of “flexible drawdown arrangement” substitute—

““member's flexi-access drawdown fund” and “dependant's flexi-access drawdown fund” have the same meaning as in Part 4 of FA 2004 (see paragraphs 8A and 22A of Schedule 28 to FA 2004);”, and

(b) after the definition of “remitted to the United Kingdom” insert—

““scheme pension” means a scheme pension within the meaning of paragraph 2 of Schedule 28 to FA 2004 or a dependants' scheme pension within the meaning of paragraphs 16 to 16C of that Schedule;”.

(5) The amendments made by this paragraph come into force on 6 April 2015.

Commencement Information

I3 Sch. 1 para. 83 in force at Royal Assent, but see sub-para. (5)

- 84 (1) The version of section 576A which has effect if the year of departure is the tax year 2012-13 or an earlier tax year (pensions under relevant non-UK schemes: temporary non-residents) is amended as follows.

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- (2) In subsection (1)—
- (a) for “non-UK income withdrawal under a relevant non-UK scheme” substitute “ withdrawal paid to a person ”,
 - (b) omit paragraph (a), and
 - (c) at the end insert “ , but only if the total amount of the relevant withdrawals meeting those conditions, and the relevant withdrawals (as defined by section 579CA(3A)) meeting the conditions in section 579CA(1) for the same set of years of non-residence, exceeds £100,000 ”.
- (3) In subsection (4) for “non-UK income withdrawal falling within subsection (1)” substitute “ withdrawal that meets the conditions in subsection (1)(b) and (c) ”.
- (4) After subsection (4) insert—
- “(4A) A “relevant withdrawal”, in relation to a person, is an amount paid under a relevant non-UK scheme that—
- (a) is paid to the person in respect of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be income withdrawal (within the meaning of paragraph 7 of Schedule 28 to FA 2004) paid to the person from the person's member's flexi-access drawdown fund in respect of the arrangement,
 - (b) is paid to the person in respect of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be dependants' income withdrawal (within the meaning of paragraph 21 of Schedule 28 to FA 2004) paid to the person from the person's dependant's flexi-access drawdown fund in respect of the arrangement,
 - (c) is paid to the person in respect of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be nominees' income withdrawal (within the meaning of paragraph 27D of Schedule 28 to FA 2004) paid to the person from the person's nominee's flexi-access drawdown fund in respect of the arrangement,
 - (d) is paid to the person in respect of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be successors' income withdrawal (within the meaning of paragraph 27J of Schedule 28 to FA 2004) paid to the person from the person's successor's flexi-access drawdown fund in respect of the arrangement,
 - (e) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be a payment of a short-term annuity (within the meaning of paragraph 6 of Schedule 28 to FA 2004) purchased using sums or assets out of the person's member's flexi-access drawdown fund in respect of the arrangement,
 - (f) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be a payment of a dependants' short-term annuity (within the meaning of paragraph 20 of Schedule 28 to FA 2004) purchased

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- using sums or assets out of the person's dependant's flexi-access drawdown fund in respect of the arrangement,
- (g) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be a payment of a nominees' short-term annuity (within the meaning of paragraph 27C of Schedule 28 to FA 2004) purchased using sums or assets out of the person's nominee's flexi-access drawdown fund in respect of the arrangement,
 - (h) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme and would, if the scheme were a registered pension scheme, be a payment of a successors' short-term annuity (within the meaning of paragraph 27H of Schedule 28 to FA 2004) purchased using sums or assets out of the person's successor's flexi-access drawdown fund in respect of the arrangement,
 - (i) is paid before 6 April 2015 to the person in respect of an arrangement relating to the person under the scheme which at the time of the payment was an arrangement to which section 165(3A) or 167(2A) of FA 2004 (flexible drawdown arrangements) applied and would, if the scheme were a registered pension scheme, be income withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to FA 2004),
 - (j) is a payment to the person of an annuity purchased using sums or assets held for the purposes of an arrangement relating to the person under the scheme where—
 - (i) the payment would, if the scheme were a registered pension scheme, be of a lifetime annuity or dependants' annuity within paragraph 3(1A) or 17(1ZA), as the case may be, of Schedule 28 to FA 2004, and
 - (ii) the terms of the contract under which it is paid are such that there will or could be decreases in the amount of the annuity other than decreases which, if the scheme were a registered pension scheme, would be decreases from time to time allowed by regulations under paragraph 3(1)(d) or 17(1)(c), as the case may be, of Schedule 28 to FA 2004 (and any such regulations are to be treated as having effect for this purpose), or
 - (k) is a payment to the person under a money purchase arrangement relating to the person under the scheme that, if the scheme were a registered pension scheme, would be a payment to the person of a scheme pension that the person would for the purposes of Part 4 of FA 2004 be treated as having become entitled to at a time on or after 6 April 2015 when fewer than 11 other individuals were entitled to present payment of a scheme pension under the scheme.
- (4B) For the purpose of determining whether the figure specified at the end of subsection (1) is exceeded, any relevant withdrawal paid in a currency other than sterling is to be translated into sterling using the average exchange rate for the year ending with 31 March in the tax year in which the relevant withdrawal is paid.”

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- (5) In each of subsections (5) to (7) omit “non-UK income”.
- (6) In subsection (8)—
- (a) for the definition of “flexible drawdown arrangement” substitute—

““member's flexi-access drawdown fund” and “dependant's flexi-access drawdown fund” have the same meaning as in Part 4 of FA 2004 (see paragraphs 8A and 22A of Schedule 28 to FA 2004);”
 - (b) omit the definition of “relevant non-UK income withdrawal”, and
 - (c) before the definition of “year of non-residence” insert—

““scheme pension” means a scheme pension within the meaning of paragraph 2 of Schedule 28 to FA 2004 or a dependants' scheme pension within the meaning of paragraphs 16 to 16C of that Schedule;”.
- (7) The amendments made by this paragraph come into force on 6 April 2015.

Commencement Information

I4 Sch. 1 para. 84 in force at Royal Assent, but see sub-para. (7)

Regulations about the effects of certain authorised payments

- 85 In section 164 of FA 2004 (authorised payments) after subsection (2) insert—
- “(3) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision—
- (a) having the effect that the making of a prescribed authorised payment does not (directly or indirectly) result in an individual first flexibly accessing pension rights for the purposes of sections 227B to 227F,
 - (b) having the effect that the making of a prescribed authorised payment is not a relevant withdrawal for the purposes of section 579CA of ITEPA 2003, and
 - (c) having the effect that the making of a prescribed payment by a pension scheme that is not a registered pension scheme, where the payment would be an authorised payment if the scheme were a registered pension scheme, is not a relevant withdrawal for the purposes of section 576A of ITEPA 2003.
- (4) In subsection (3)—
- “authorised payment” means a payment specified in subsection (1), and
- “prescribed” means prescribed in regulations under subsection (3).”

Changes to legislation:

There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Part 5.