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SCOTTISH STATUTORY INSTRUMENTS

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**2015 No. 142**

**The Police Pension Scheme (Scotland) Regulations 2015**

**PART 13**

**Supplementary**

**CHAPTER 6**

**Payment and deduction of tax**

**Scheme manager to be scheme administrator for purposes of Part 4 of Finance Act 2004**

**208.** The scheme manager is appointed to be responsible for all functions that are functions conferred or imposed on the scheme administrator by or under Part 4 of FA 2004 (pension schemes etc).

**Payment on behalf of members of lifetime allowance charge**

**209.**—(1) A member of this scheme may request the scheme manager to pay on the member's behalf any amount that is payable by way of the lifetime allowance charge under section 214 of FA 2004 (“the amount”) if—

- (a) an event that is a benefit crystallisation event (“the event”) listed in the table in section 216(1) of FA 2004<sup>(1)</sup> occurs in relation to the member; and
- (b) the member and the scheme manager are jointly and severally liable in relation to the event.

(2) A request may only be made by notice given to the scheme manager before the event occurs.

(3) The scheme manager may only comply with a request if the member pays the amount to the scheme manager on or before the date on which the event occurs.

**Reduction of benefits where lifetime allowance charge payable**

**210.**—(1) This regulation applies if—

- (a) an event that is a benefit crystallisation event (“the event”) listed in the table in section 216(1) of FA 2004 (“the table”) occurs in relation to a member;
- (b) the member and the scheme manager are jointly and severally liable in relation to the event; and
- (c) no request has been duly made under regulation 209 in relation to the event or, if such a request has been made, the scheme manager is prevented from complying with it by paragraph (3) of that regulation.

(2) If this regulation applies—

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<sup>(1)</sup> Section 216(1) was amended by the Finance Act 2005 (c.7), Schedule 10, paragraphs 1, 31 and 42; the Finance Act 2006 (c.25), Schedule 23, paragraphs 1 and 30; the Finance Act 2008 (c.9), Schedule 29, paragraphs 1, 4 and 5; and the Finance Act 2011 (c.11), Schedule 16, paragraphs 43, 62, 73 and 104.

- (a) the scheme manager must pay the tax payable on the event;
  - (b) if the event is benefit crystallisation event 8 in the table (transfer to qualifying recognised overseas pension scheme), the amount or value of the sums or assets transferred must be reduced; and
  - (c) in the case of any other event in the table, the amount or value of the benefits payable to or in respect of the member must be reduced.
- (3) The amount or value of the reduction—
- (a) must fully reflect the amount of the tax so paid;
  - (b) must be determined in accordance with guidance provided by the scheme manager; and
  - (c) in the case of any reduction to pension benefits, must be consistent with normal actuarial practice.

### **Information about payment of annual allowance charge**

**211.**—(1) If a member’s pension scheme input amount for this scheme for a tax year exceeds the amount of the annual allowance for that tax year, paragraph (2) applies in respect of the member for that tax year.

(2) The scheme manager must, no later than 31st July after the end of the tax year, provide the member with any information the scheme manager considers appropriate to assist the member to arrange payment of the annual allowance charge for that tax year.

(3) In this regulation—

- “annual allowance” has the meaning given in section 228 (annual allowance) of FA 2004(2);
- “annual allowance charge” has the meaning given in section 227 (annual allowance charge) of FA 2004(3);
- “pension scheme input amount” has the same meaning as in section 237B(2) of FA 2004(4) (liability of scheme administrator); and
- “tax year” means a period of one year which is the period of assessment for income tax purposes.

### **Reduction of benefits where annual allowance charge paid by scheme manager**

**212.**—(1) This regulation applies where—

- (a) a member gives valid notice to the scheme manager of joint and several liability for an annual allowance charge under section 237B(3) of FA 2004; and
- (b) the scheme manager satisfies the liability specified in the notice.

(2) The amount or value of the benefits payable to or in respect of the member for the tax year to which the notice relates must be reduced by the scheme manager in accordance with paragraph (3).

(3) Subject to paragraph (4), the amount or value of the reduction of benefits—

- (a) must fully reflect the amount paid by the scheme manager; and
- (b) must be consistent with normal actuarial practice.

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(2) Section 228 was substituted by the Finance Act 2011, Schedule 17, paragraph 4 and was amended by the Finance Act 2013 (c.29), section 49.

(3) Section 227 was amended by the Finance Act 2009 (c.10), Schedule 2, paragraphs 10 and 15 and the Finance Act 2011, Schedule 17, paragraph 3.

(4) 2004 c.12; section 237B was inserted by the Finance Act 2011 (c.11), Schedule 17, paragraph 15 and was amended by the Finance Act 2013 (c.29), Schedule 46, paragraphs 119 and 129.

(4) Benefits may only be reduced under this regulation to the extent that the reduction would not result in the loss of any part of a guaranteed minimum pension to which a person is entitled under section 14 (earner's guaranteed minimum) or 17 (minimum pension for surviving spouses and civil partners) of PSA 1993.

(5) In this regulation—

“annual allowance charge” has the meaning given in section 227 (annual allowance charge) of FA 2004; and

“tax year” means a period of one year which is the period of assessment for income tax purposes.