



# Finance Act 2004

## 2004 CHAPTER 12

### PART 4

#### PENSION SCHEMES ETC

### CHAPTER 5

#### REGISTERED PENSION SCHEMES: TAX CHARGES

##### *Annual allowance charge*

#### **[<sup>F1</sup>227ZA] The chargeable amount**

- (1) The chargeable amount is the alternative chargeable amount (see section 227B) if—
  - (a) the year is—
    - (i) the tax year in which the individual first flexibly accesses pension rights (see section 227G), or
    - (ii) a tax year later than that tax year,
  - (b) the money-purchase input sub-total (see section 227C) exceeds [<sup>F2</sup>£10,000], and
  - (c) the alternative chargeable amount exceeds the default chargeable amount.
- (2) Otherwise, the chargeable amount is the default chargeable amount.
- (3) The default chargeable amount is the amount (if any) by which—
  - (a) the total pension input amount calculated in accordance with section 229(1), exceeds
  - (b) the annual allowance for the year in the case of the individual (see sections 228(1) and 228A).

[ If there is no such excess, the default chargeable amount is zero. ]]  
<sup>F3</sup>(4)

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**Changes to legislation:** Finance Act 2004, Section 227ZA is up to date with all changes known to be in force on or before 05 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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#### Textual Amendments

- F1** S. 227ZA inserted (17.12.2014) (with effect in accordance with Sch. 1 para. 64(2) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 64**
- F2** Sum in s. 227ZA(1)(b) substituted (for the tax year 2023-24 and subsequent tax years) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), **s. 21(2)(a)(4)**
- F3** S. 227ZA(4) inserted (with effect in accordance with Sch. 4 para. 11(4) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), **Sch. 4 para. 11(3)**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)