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**Changes to legislation:** Finance Act 2011, Cross Heading: Pensions under registered pension schemes: temporary non-residents is up to date with all changes known to be in force on or before 23 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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## SCHEDULES

### SCHEDULE 16

#### BENEFITS UNDER PENSION SCHEMES

##### PART 1

###### CHANGES TO BENEFITS AVAILABLE UNDER PENSION SCHEMES ETC

###### *Pensions under registered pension schemes: temporary non-residents*

- 22 (1) In Part 9 of ITEPA 2003 (pension income), Chapter 5A (pensions under registered pension schemes) is amended as follows.
- (2) In section 579B (taxable pension income), at the end insert—
- “This is subject to section 579CA.”
- (3) After section 579C insert—

###### **“579CA Temporary non-residents**

- (1) If this section applies in relation to a tax year, any income withdrawal or dependants' income withdrawal under the registered pension scheme which—
- (a) is paid to a person in respect of a flexible drawdown arrangement relating to the person under the scheme,
  - (b) is paid in a year of non-residence, and
  - (c) would not, apart from this section, be chargeable to tax under this Part,
- is to be treated for the purposes of section 579B as if it accrued in that tax year.
- (2) This section applies in relation to a tax year if—
- (a) the person satisfies the residence requirements for the tax year (“the year of return”),
  - (b) the person did not satisfy those requirements for one or more tax years immediately before the year of return but did satisfy those requirements for an earlier tax year,
  - (c) there are fewer than 5 tax years between—
    - (i) the last tax year before the year of return for which the person satisfied those requirements (“the year of departure”), and
    - (ii) the year of return, and

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- (d) the person satisfied those requirements for at least 4 out of the 7 tax years immediately before the year of departure.
- (3) For the purposes of this section—
- (a) a person satisfies the residence requirements for a tax year if the person—
    - (i) is resident in the United Kingdom during that year, and
    - (ii) is not Treaty non-resident at any time in that year;
  - (b) a person is Treaty non-resident at any time if, at that time, the person falls to be regarded as resident in a territory outside the United Kingdom for the purposes of double taxation relief arrangements having effect at that time.
- (4) Nothing in any double taxation relief arrangements is to be read as preventing the person from being chargeable to income tax in respect of any income withdrawal or dependants' income withdrawal treated by virtue of this section as accruing in the year of return (or as preventing a charge to that tax from arising as a result).
- (5) In this section—
- “double taxation relief arrangements” means arrangements that have effect under section 2(1) of TIOPA 2010;
  - “flexible drawdown arrangement” means an arrangement to which section 165(3A) or 167(2A) of FA 2004 applies;
  - “year of non-residence” means any tax year which falls between the year of departure and the year of return.”
- (4) For section 579D (interpretation) substitute—

**“579D Interpretation**

In this Chapter—

- “dependants' income withdrawal” has the meaning given by paragraph 21 of Schedule 28 to FA 2004;
- “income withdrawal” has the meaning given by paragraph 7 of that Schedule;
- “pension under a registered pension scheme” includes—
  - (a) an annuity under, or purchased with sums or assets held for the purposes of, or representing acquired rights under, a registered pension scheme, and
  - (b) income withdrawal or dependants' income withdrawal under a registered pension scheme.”

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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):

- Sch. 23 para. 45(1)(ia) inserted by [2017 c. 10 Sch. 11 para. 6\(3\)](#)
- Sch. 23 para. 2(1A) inserted by [S.I. 2019/397 reg. 2\(2\)](#) (This amendment not applied to legislation.gvo.uk. Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)
- Sch. 23 para. 15A inserted by [S.I. 2019/397 reg. 2\(3\)](#) (This amendment not applied to legislation.gvo.uk. Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)