SCHEDULES

SCHEDULE 6

TRANSITIONAL PROVISION RELATING TO NEW STANDARD LIFETIME ALLOWANCE FOR THE TAX YEAR 2014-15 ETC

PART 1

"INDIVIDUAL PROTECTION 2014"

The protection

1 (1) Sub-paragraph (2) applies on and after 6 April 2014 in the case of an individual—
- (a) who, on 5 April 2014, has one or more relevant arrangements (see sub-paragraph (4)),
- (b) whose relevant amount is greater than £1,250,000 (see sub-paragraph (5)), and
- (c) in relation to whom paragraph 7 of Schedule 36 to FA 2004 (primary protection) does not make provision for a lifetime allowance enhancement factor,

if notice of intention to rely on it is given to an officer of Revenue and Customs before 6 April 2017.

(2) Part 4 of FA 2004 has effect in relation to the individual as if the standard lifetime allowance were—
- (a) if the individual's relevant amount is greater than £1,500,000, the greater of the standard lifetime allowance and £1,500,000, or
- (b) otherwise, the greater of the standard lifetime allowance and the individual's relevant amount.

(3) But sub-paragraph (2) does not apply at any time when any of the following provisions applies in the case of the individual—
- (a) paragraph 12 of Schedule 36 to FA 2004 (enhanced protection);
- (b) paragraph 14 of Schedule 18 to FA 2011 (fixed protection 2012);
- (c) paragraph 1 of Schedule 22 to FA 2013 (fixed protection 2014).

(4) "Relevant arrangement", in relation to an individual, means an arrangement relating to the individual under—
- (a) a registered pension scheme of which the individual is a member, or
- (b) a relieved non-UK pension scheme of which the individual is a relieved member.

(5) An individual's "relevant amount" is the sum of amounts A, B, C and D (see paragraphs 2 to 5).

(6) Sub-paragraphs (7) and (8) apply if rights of an individual under a relevant arrangement become subject to a pension debit where the transfer day falls on or after 6 April 2014.

(7) For the purpose of applying sub-paragraph (2) in the case of the individual on and after the transfer day, the individual's relevant amount is reduced (or further reduced) by the following amount—

$$X - (Y \times Z)$$

where—

X is the appropriate amount,

Y is 5% of X, and

Z is the number of tax years beginning after 5 April 2014 but ending on or before the transfer day.

(If the formula gives a negative amount, it is to be taken to be nil.)

(8) But if the individual's relevant amount would be reduced (or further reduced) to £1,250,000 or less, sub-paragraph (2) is not to apply at all in the case of the individual on and after the transfer day.

(9) In sub-paragraphs (6) to (8) "appropriate amount" and "transfer day", in relation to a pension debit, have the same meaning as in section 29 of WRPA 1999 or Article 26 of WRP(NI)O 1999 (as the case may be).