***Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2017, Paragraph 2. (See end of Document for details)*

SCHEDULES

SCHEDULE 3

OVERSEAS PENSIONS

PART 2

INCOME TAX ON PENSION INCOME

UK residents to be taxed on 100%, not 90%, of foreign pension income

2 (1) Omit section 575(2) of ITEPA 2003 (foreign pensions received by UK residents: taxable amount is 90% of actual amount).

(2) Omit section 613(3) of ITEPA 2003 (annuities from non-UK sources: taxable amount is 90% of actual amount).

(3) Omit section 635(3) of ITEPA 2003 (foreign voluntary annual payments: taxable amount is 90% of actual amount).

(4) In consequence—

(a) in section 575 of ITEPA 2003—

(i) in subsection (1) omit “, (2)”;

(ii) in subsection (1A), for “subsections (2) and” substitute “ subsection ”;

(iii) in subsection (3), for “That pension income” substitute “ The full amount of the pension income arising in the tax year, or (as the case may be) the UK part of the tax year, ”;

(iv) in subsection (3), for “that Act” substitute “ ITTOIA 2005 ”;

(b) in section 613 of ITEPA 2003—

(i) in subsection (2), for “subsections (3) and” substitute “ subsection ”;

(ii) in subsection (4), for “that Act” substitute “ ITTOIA 2005 ”;

(c) in section 635 of ITEPA 2003—

(i) in subsection (2), for “subsections (3) and” substitute “ subsection ”;

(ii) in subsection (4), for “That pension income” substitute “ The full amount of the pension income arising in the tax year ”;

(iii) in subsection (4), for “that Act” substitute “ ITTOIA 2005 ”;

(d) in Schedule 45 to FA 2013 omit paragraph 72(4).

(5) In sections 613(5) and 635(5) of ITEPA 2003 (application of section 839 of ITTOIA 2005 in certain cases), for “condition B” substitute “ conditions B1 and B2 (and the reference to them in subsection (1)) ”.

(6) The amendments made by this paragraph have effect for the tax year 2017-18 and subsequent tax years, subject to sub-paragraph (7).

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2017, Paragraph 2. (See end of Document for details)*

(7) The amendments in section 575 of ITEPA 2003, so far as they relate to relevant withdrawals, have effect in relation to relevant withdrawals paid in or after the tax year 2017-18; and here "relevant withdrawal" has the meaning given by section 576A of ITEPA 2003.

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2017, Paragraph 2.