
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2017, Paragraph 7. (See end of Document for details)

SCHEDULES

SCHEDULE 3

OVERSEAS PENSIONS

PART 3

LUMP SUMS FOR UK RESIDENTS FROM FOREIGN PENSION SCHEMES

Employer-financed retirement benefit schemes: ending of foreign-service relief

7 In section 554Z4 (treatment of relevant step: residence issues), after subsection (6) insert—

“(7) Subsections (8) and (9) apply if—

- (a) the relevant step is the payment of a lump sum,
- (b) the payment of the lump sum is the provision of a relevant benefit under an employer-financed retirement benefits scheme, and
- (c) the person by whom the lump sum is received is resident in the United Kingdom in the tax year in which the lump sum is received.

(8) If the lump sum is wholly in respect of rights which have accrued on or after 6 April 2017, there is no reduction under subsection (4).

(9) If the lump sum is wholly or partly in respect of rights which accrued before 6 April 2017, the amount of any reduction under subsection (4) is given by—

$$R \times \frac{A}{LS}$$

where—

A is so much of the lump sum as is in respect of rights which accrued before 6 April 2017,

LS is the amount of the lump sum, and

R is the amount which (ignoring this subsection) is given by subsection (4) as the amount of the reduction.

(10) In subsection (7)—

“employer-financed retirement benefits scheme” has the same meaning as in Chapter 2 of Part 6 (see section 393A), and

“relevant benefit” has the same meaning as in that Chapter (see section 393B).”

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