
STATUTORY INSTRUMENTS

2010 No. 429

**The Special Annual Allowance Charge
(Protected Pension Input Amounts) Order 2010**

Amendment of Schedule 35 to the Finance Act 2009

6.—(1) For sub-paragraph (4) of paragraph 10 (protected pension input amounts: other existing money purchase arrangements under occupational and public service pension schemes) substitute—

“(4) To the extent that the amount arrived at under paragraph 3(2) in relation to the arrangement is attributable to contributions other than relevant additional voluntary contributions it is a protected pension input amount to the extent specified in—

- (a) sub-paragraph (5) if the individual has been an active member of the pension scheme by reference to the arrangement since before 22 April 2009 and until the relevant end date, or
- (b) sub-paragraph (5A) if the individual has been an active member of the pension scheme by reference to the arrangement since on or after 22 April 2009 (“the joining date”) and until the relevant end date and the arrangement was entered into in accordance with the terms of a written agreement between the individual and the employer made not later than 22 April 2009.”.

(2) After sub-paragraph (5) of paragraph 10 insert—

“(5A) That amount is a protected pension input amount to the extent that it is attributable to contributions paid—

- (a) on a quarterly or more frequent basis without any failure to pay contributions on or after the joining date on more than an insignificant number of occasions, and
- (b) at a rate which has not increased during the period beginning with the joining date and ending with the relevant end date otherwise than in accordance with the agreement referred to in sub-paragraph (4)(b).

(5B) To the extent that the amount arrived at under paragraph 3(2) in relation to the arrangement is attributable to contributions other than relevant additional voluntary contributions it is a protected pension input amount to the extent specified in sub-paragraph (5C) if—

- (a) the arrangement was made no later than the end of the period of 3 months beginning with the date on which the individual ceased being an active member of a pension scheme other than that under which it is an arrangement (“the cessation date”),
- (b) the cessation date was on or after 22 April 2009,
- (c) the arrangement under that other pension scheme by reference to which the individual was an active member of that pension scheme (“the old arrangement”) was one in the case of which the amount arrived at under paragraph 3(2) in relation to the old arrangement was to any extent a protected pension input amount by virtue of this paragraph,

- (d) the individual did not make more than one such new arrangement in the period of one month beginning with the cessation date,
 - (e) the individual made the new arrangement for one of the reasons set out in paragraph 8(4E), and
 - (f) the old arrangement has not been re-activated within the meaning of paragraph 13(7) on or after the cessation date.
- (5C) The amount is a protected pension input amount to the extent that it is attributable to contributions paid under the arrangement which—
- (a) do not exceed the amount which would have been a protected pension input amount as a result of contributions made under the old arrangement for the accrual period had that arrangement continued during that period,
 - (b) are paid on a quarterly or more frequent basis from the date (“the joining date”) on which the individual became an active member of the pension scheme by reference to the arrangement without any failure to pay contributions payable on or after that date on more than an insignificant number of occasions, and
 - (c) are paid at a rate which is no higher than the rate at which the contributions under the old arrangement were paid and which has not increased during the period from the joining date and ending with the relevant end date.
- (5D) For the purposes of sub-paragraph (5C) the accrual period has the meaning set out in paragraph 8(4G).”.