
STATUTORY INSTRUMENTS

2015 No. 372

**The Public Service (Civil Servants and Others) Pensions
(Consequential and Amendment) Regulations 2015**

PART 4

Modification of tax regime

Lifetime allowance charge

14.—(1) This regulation applies to a person (P) who—

- (a) is a member of the old scheme whether by virtue of pensionable service for that scheme or deemed transfer scheme service under paragraph 2 of Schedule 7 to the 2013 Act (final salary link);
- (b) is a member of the new scheme by virtue of pensionable service for the new scheme;
- (c) is being paid an ill-health pension under paragraph 29 of Schedule 2 to the Public Service (Civil Servants and Others) Pensions Regulations 2014 (transitional provisions); and
- (d) has an ill-health pension paid from the new scheme reduced as a consequence of P becoming entitled to payment of a scheme pension (within the meaning of paragraph 2 of Schedule 28 to the Finance Act 2004(1)) under the old scheme.

(2) Section 216 of the Finance Act 2004(2) (benefit crystallisation events and amounts crystallised) is modified in its application to P as specified in paragraph (3).

(3) The payment of any scheme pension from the old scheme to P is treated as if it was not a benefit crystallisation event within the meaning of section 216 of the Finance Act 2004.

Annual allowance charge

15.—(1) This regulation applies to a person (P) who—

- (a) is a member of the old scheme whether by virtue of pensionable service for that scheme or deemed transfer scheme service under paragraph 2 of Schedule 7 to the 2013 Act;
- (b) is a member of the new scheme by virtue of pensionable service for the new scheme; and
- (c) becomes entitled to payment of an ill-health pension under paragraph 29 of Schedule 2 to the Public Service (Civil Servants and Others) Pensions Regulations 2014.

(2) Section 234 of the Finance Act 2004(3) (defined benefits arrangements) is modified in its application to P as specified in paragraph (3).

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- (1) [2004 c. 12](#). Paragraph 2 was amended by sections 101 and 104 of, and Schedules 10 and 11 to, the Finance Act [2005 \(c.7\)](#); by section 161 of, and Schedule 23 to, the Finance Act [2006 \(c.25\)](#); by section 70 of, and Schedule 20 to, the Finance Act [2007 \(c.11\)](#); by section 51 of the Finance Act [2013 \(c.29\)](#); and by [S.I. 2007/493](#).
 - (2) Section 216 was amended by section 101 of, and paragraphs 1 and 31 of Schedule 10 to, the Finance Act [2005 \(c.7\)](#); section 161 of, and paragraphs 1 and 30 of Schedule 23 to, the Finance Act [2006 \(c.25\)](#); by section 92 of, and paragraphs 4 and 5 of Schedule 29 to, the Finance Act [2008 \(c.9\)](#); and by section 65 of, and paragraphs 62 and 73 of Schedule 16 to, the Finance Act [2011 \(c.11\)](#).
 - (3) Section 234 was amended by section 66 of, and paragraphs 1, 10 and 27 of Schedule 17 to, the Finance Act [2011 \(c.11\)](#).

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(3) When calculating the closing value of P's rights under the new scheme for the pension input period during which P becomes entitled to payment of an ill-health pension, the element of the pension which is the amount of lower tier earned pension that represents pensionable service for the old scheme is not to be counted as being part of the closing value.