

These notes relate to the Scottish Parliamentary Pensions Act 2009 (asp 1) which received Royal Assent on 25 February 2009

SCOTTISH PARLIAMENTARY PENSIONS ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part R Taxes

Rule 101: Prohibition of payments which would give rise to liability for certain taxes

- 417. Rule 101 places further restrictions on payments to individuals in the event that payments from the Pension Fund would give rise to a liability on the scheme for a scheme sanction charge or a de-registration charge.
- 418. A scheme sanction charge under section 239 of the Finance Act 2004 arises where a registered pension scheme makes an unauthorised payment. The scheme administrator is liable to pay the scheme sanction charge.
- 419. A de-registration charge under section 242 of the Finance Act 2004 is an income tax charge which applies if HMRC withdraws the registration of a registered pension scheme. The de-registration charge is 40% of the total of the amount of the assets held by the scheme immediately before it ceased to be a registered pension scheme. Deregistration and the charge could apply when more than 25% of a scheme's fund is paid as unauthorised payments in any 12 month period.
- 420. Rule 101 prevents any payment which would otherwise be paid from the Pension Fund where that payment would give rise to a scheme sanction charge or a de-registration charge.