

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 7

OVERSEAS PENSIONS

- 96 (1) The Pension Schemes (Application of UK Provisions to Relevant Non-UK Schemes) Regulations 2006 ([S.I. 2006/207](#)) are amended as follows.
- (2) In regulation 5 (Part 4 of FA 2004 is modified in accordance with Part 3 of the Regulations) for “these Regulations” substitute “this Part”.
- (3) Regulation 15 (modifications of Schedule 29 to FA 2004 in its application to relevant non-UK schemes) is amended in accordance with sub-paragraphs (4) to (14).
- (4) In paragraph (2), in the inserted paragraph 1(4B), before the “and” at the end of paragraph (a) insert—
- “(aa) the referable portion of any previous uncrystallised funds pension lump sum paid to or in respect of the member by a recognised overseas pension scheme;”.
- (5) In paragraph (2), in the inserted paragraph 1(4C), before the “and” at the end of paragraph (a) insert—
- “(aa) the referable portion of any previous uncrystallised funds pension lump sum to which the member became entitled under a relevant non-UK scheme since the paragraph 15 BCE occurred;”.
- (6) In paragraph (3)(a), in the inserted definition of “RP”, after “any previous pension commencement lump sum” insert “or previous uncrystallised funds pension lump sum”.
- (7) In paragraph (3)(b), in the inserted paragraph 2(7ZA), after “to a pension commencement lump sum,” insert “or to an uncrystallised funds pension lump sum,”.
- (8) In paragraph (4)(b), in the inserted paragraph 4(6), before the “and” at the end of paragraph (a) insert—
- “(aa) the referable portion of any previous uncrystallised funds pension lump sum paid to or in respect of the member by a recognised overseas pension scheme;”.
- (9) In paragraph (4)(b), in the inserted paragraph 4(7), before the “and” at the end of paragraph (a) insert—
- “(aa) the referable portion of any earlier uncrystallised funds pension lump sum to which the member became entitled under a relevant non-UK scheme since the paragraph 15 BCE occurred;”.

Status: This is the original version (as it was originally enacted).

(10) After paragraph (4) insert—

“(4A) In paragraph 4A (uncrystallised funds pension lump sums) after sub-paragraph (2) insert—

“(2A) In determining for the purposes of sub-paragraph (1)(b) whether all or part of the member’s lifetime allowance is available—

- (a) disregard any amount treated as crystallising by virtue of a relevant BCE, and
- (b) the amount of the allowance available is reduced by the amount determined in accordance with sub-paragraph (2B) or (2C), as the case may require.

(2B) Where benefit crystallisation event 8 has occurred, the member’s lifetime allowance that is available is reduced by the aggregate of—

- (a) the referable portion of any previous pension commencement lump sum paid to or in respect of the member by a recognised overseas pension scheme,
- (b) the referable portion of any previous uncrystallised funds pension lump sum paid to or in respect of the member by a recognised overseas pension scheme, and
- (c) the referable portion of the amount which would have crystallised by virtue of the member becoming entitled to a pension, had the scheme paying it been a registered pension scheme and disregarding paragraph 2 of Schedule 32.

(2C) Where the paragraph 15 BCE has occurred, the member’s lifetime allowance that is available is reduced by the aggregate of—

- (a) the referable portion of any earlier pension commencement lump sum to which the member became entitled under a relevant non-UK scheme since the paragraph 15 BCE occurred,
- (b) the referable portion of any earlier uncrystallised funds pension lump sum to which the member became entitled under a relevant non-UK scheme since the paragraph 15 BCE occurred, and
- (c) in respect of any pension to which the member has become entitled since the paragraph 15 BCE occurred, the referable portion of the amount which would have crystallised by virtue of the member’s becoming entitled to the pension, had the scheme paying it been a registered pension scheme and disregarding paragraph 2 of Schedule 32.””

(11) In paragraph (6), in the inserted paragraph 7(7), before the “and” at the end of paragraph (a) insert—

“(aa) the referable portion of any previous uncrystallised funds pension lump sum paid to or in respect of the member by a recognised overseas pension scheme;”.

Status: This is the original version (as it was originally enacted).

- (12) In paragraph (6), in the inserted paragraph 7(8), before the “and” at the end of paragraph (a) insert—
- “(aa) the referable portion of any earlier uncrystallised funds pension lump sum to which the member became entitled under a relevant non-UK scheme since the paragraph 15 BCE occurred;”.
- (13) In paragraph (7), in the inserted paragraph 10(5), before the “and” at the end of paragraph (a) insert—
- “(aa) the referable portion of any previous uncrystallised funds pension lump sum paid to or in respect of the member by a recognised overseas pension scheme;”.
- (14) In paragraph (7), in the inserted paragraph 10(6), before the “and” at the end of paragraph (a) insert—
- “(aa) the referable portion of any earlier uncrystallised funds pension lump sum to which the member became entitled under a relevant non-UK scheme since the paragraph 15 BCE occurred;”.
- (15) After Part 3 insert—

“PART 4

18 Modifications to section 636A of ITEPA 2003 in respect of relevant non-UK schemes

Section 636A(1B) of the Income Tax (Earnings and Pensions) Act 2003 (income tax on uncrystallised funds pension lump sums under registered pension schemes: meaning of “member’s available lifetime allowance”) has effect in relation to relevant non-UK schemes as if the following provisions were inserted in section 636A of that Act after subsection (1C)—

- “(1D) In determining the member’s available lifetime allowance for the purposes of subsection (1B)—
- (a) disregard any amount treated as crystallising by virtue of—
- (i) benefit crystallisation event 8 (see section 216 of, and Schedule 32 to, FA 2004), or
- (ii) the benefit crystallisation event treated as occurring by virtue of paragraph 15 of Schedule 34 to FA 2004 (“the paragraph 15 BCE”), and
- (b) the amount of the allowance available is reduced by the amount determined in accordance with subsection (1E) or (1F), as the case may require.
- (1E) Where benefit crystallisation event 8 has occurred, the member’s available lifetime allowance is reduced by the aggregate of—
- (a) the referable portion of any previous pension commencement lump sum paid to or in respect of the member by a recognised overseas pension scheme,
- (b) the referable portion of any previous uncrystallised funds pension lump sum paid to or in respect of the member by a recognised overseas pension scheme, and

Status: This is the original version (as it was originally enacted).

- (c) the referable portion of the amount which would have crystallised by virtue of the member becoming entitled to a pension, had the scheme paying it been a registered pension scheme and disregarding paragraph 2 of Schedule 32 to FA 2004;

and in this subsection “referable portion” means portion referable to the member’s relevant transfer fund (within the meaning given by paragraph 4 of Schedule 34 to FA 2004).

- (1F) Where the paragraph 15 BCE has occurred, the member’s available lifetime allowance is reduced by the aggregate of—

- (a) the referable portion of any earlier pension commencement lump sum to which the member became entitled under a relevant non-UK scheme since the paragraph 15 BCE occurred,
- (b) the referable portion of any earlier uncrystallised funds pension lump sum to which the member became entitled under a relevant non-UK scheme since the paragraph 15 BCE occurred, and
- (c) in respect of any pension to which the member has become entitled since the paragraph 15 BCE occurred, the referable portion of the amount which would have crystallised by virtue of the member’s becoming entitled to the pension, had the scheme paying it been a registered pension scheme and disregarding paragraph 2 of Schedule 32 to FA 2004;

and in this subsection “referable portion” means portion referable to the member’s UK tax-relieved fund (within the meaning given by paragraph 3 of Schedule 34 to FA 2004).

- (1G) In subsections (1E) and (1F)—

“recognised overseas pension scheme” and “pension” have the same meaning as in Part 4 of FA 2004 (see section 280(2) of FA 2004), and

“relevant non-UK scheme” has the same meaning as in Schedule 34 to FA 2004 (see paragraph 1 of that Schedule).””””

- (16) The amendments made by this paragraph—

- (a) have effect in relation to lump sums paid on or after 6 April 2015, and
- (b) are to be treated as having been made by the Commissioners for Her Majesty’s Revenue and Customs under such of the powers conferred on them by Schedule 34 to FA 2004 (as amended by this Schedule) as are applicable.