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SCHEDULES

SCHEDULE 4

Section 19

PENSIONS: LIFETIME ALLOWANCE: TRANSITIONAL PROVISION

PART 1

“FIXED PROTECTION 2016”

The protection

- 1 (1) Sub-paragraph (2) applies at any particular time on or after 6 April 2016 in the case of an individual if—
- (a) each of the conditions specified in paragraph 2 is met,
 - (b) there is no protection-cessation event (see paragraph 3) in the period beginning with 6 April 2016 and ending with the particular time,
 - (c) paragraph 1(2) of Schedule 6 to FA 2014 (“individual protection 2014”) does not apply in the individual's case at the particular time, and
 - (d) at the particular time or any later time, the individual has a reference number (see Part 3 of this Schedule) for the purposes of sub-paragraph (2).
- (2) Part 4 of FA 2004 has effect in relation to the individual as if the standard lifetime allowance were the greater of the standard lifetime allowance and £1,250,000.

The initial conditions

- 2 The conditions mentioned in paragraph 1(1)(a) are—
- (a) that, on 6 April 2016, the individual has one or more arrangements under—
 - (i) a registered pension scheme, or
 - (ii) a relieved non-UK pension scheme of which the individual is a relieved member,
 - (b) that paragraph 7 of Schedule 36 to FA 2004 (primary protection) does not make provision for a lifetime allowance enhancement factor in relation to the individual,
 - (c) that paragraph 12 of that Schedule (enhanced protection) does not apply in the individual's case on 6 April 2016,
 - (d) that paragraph 14 of Schedule 18 to FA 2011 (transitional provision relating to new standard lifetime allowance for the tax year 2012-13) does not apply in the individual's case on 6 April 2016, and
 - (e) that paragraph 1 of Schedule 22 to FA 2013 (“fixed protection 2014”) relating to new standard lifetime allowance for the tax year 2014-15) does not apply in the individual's case on 6 April 2016.

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Protection-cessation events

- 3 There is a protection-cessation event if [^{F1}the reference number for the purposes of paragraph 1(2) was issued pursuant to an application made on or after 15 March 2023 and]—
- (a) there is benefit accrual in relation to the individual under an arrangement under a registered pension scheme,
 - (b) there is an impermissible transfer into any arrangement under a registered pension scheme relating to the individual,
 - (c) a transfer of sums or assets held for the purposes of, or representing accrued rights under, any such arrangement is made that is not a permitted transfer, or
 - (d) an arrangement relating to the individual is made under a registered pension scheme otherwise than in permitted circumstances.

Textual Amendments

F1 Words in Sch. 4 para. 3 inserted (6.4.2023 for the tax year 2023-24 and subsequent tax years) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 23\(7\)\(8\)](#)

Modifications etc. (not altering text)

C1 [Sch. 4 para. 3\(c\)](#) modified (6.4.2023) by [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023 \(S.I. 2023/113\), regs. 1\(2\), 42](#) (with reg. 1(3))

Protection-cessation events: interpretation: “benefit accrual”

- 4 (1) For the purposes of paragraph 3(a) there is benefit accrual in relation to the individual under an arrangement—
- (a) in the case of a money purchase arrangement that is not a cash balance arrangement, if a relevant contribution is paid under the arrangement on or after 6 April 2016,
 - (b) in the case of a cash balance arrangement or defined benefits arrangement, if there is an increase in the value of the individual's rights under the arrangement at any time on or after that date (but subject to sub-paragraph (5)), and
 - (c) in the case of a hybrid arrangement—
 - (i) where the benefits that may be provided to or in respect of the individual under the arrangement include money purchase benefits other than cash balance benefits, if a relevant contribution is paid under the arrangement on or after 6 April 2016, and
 - (ii) in any case, if there is an increase in the value of the individual's rights under the arrangement at any time on or after that date (but subject to sub-paragraph (5)).
- (2) For the purposes of sub-paragraphs (1)(b) and (c)(ii) and (5) whether there is an increase in the value of the individual's rights under an arrangement (and its amount if there is) is to be determined—
- (a) in the case of a cash balance arrangement (or a hybrid arrangement under which cash balance benefits may be provided to or in respect of the individual under the arrangement), by reference to whether there is an increase in the amount that would, on the valuation assumptions, be available

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for the provision of benefits to or in respect of the individual (and, if there is, the amount of the increase), and

- (b) in the case of a defined benefits arrangement (or a hybrid arrangement under which defined benefits may be provided to or in respect of the individual under the arrangement), by reference to whether there is an increase in the benefits amount.

- (3) For the purposes of sub-paragraph (2)(b) “the benefits amount” is—

$$(P \times RVF) + LS$$

where—

LS is the lump sum to which the individual would, on the valuation assumptions, be entitled under the arrangement (otherwise than by commutation of pension),

P is the annual rate of the pension which would, on the valuation assumptions, be payable to the individual under the arrangement, and

RVF is the relevant valuation factor.

- (4) Paragraph 14 of Schedule 36 to FA 2004 (when a relevant contribution is paid under an arrangement) applies for the purposes of sub-paragraph (1)(a) and (c)(i).
- (5) Increases in the value of the individual's rights under an arrangement are to be ignored for the purposes of sub-paragraph (1)(b) or (c)(ii) if in no tax year do they exceed the relevant percentage.
- (6) The relevant percentage, in relation to a tax year, means—
- (a) where the arrangement (or a predecessor arrangement) includes provision for the value of the rights of the individual to increase during the tax year at an annual rate specified in the rules of the pension scheme (or a predecessor registered pension scheme) on 9 December 2015—
- (i) that percentage (or, where more than one arrangement includes such provision, the higher or highest of the percentages specified), plus
- (ii) the relevant statutory increase percentage;
- (b) otherwise—
- (i) the percentage by which the consumer prices index for the month of September in the previous tax year is higher than it was for the September before that (or 0% if it is not higher), or
- (ii) if higher, the relevant statutory increase percentage.

- (7) In sub-paragraph (6)(a)—

“predecessor arrangement”, in relation to an arrangement, means another arrangement (under the same or another registered pension scheme) from which some or all of the sums or assets held for the purposes of the arrangement directly or indirectly derive;

“predecessor registered pension scheme”, in relation to a registered pension scheme, means another registered pension scheme from which some or all of the sums or assets held for the purposes of the arrangement under the pension scheme directly or indirectly derive.

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- (8) In sub-paragraph (6) “the relevant statutory increase percentage”, in relation to a tax year, means the percentage increase in the value of the individual's rights under the arrangement during the tax year so far as it is attributable solely to one or more of the following—
- (a) an increase in accordance with section 15 of the Pension Schemes Act 1993 or section 11 of the Pension Schemes (Northern Ireland) Act 1993 (increase of guaranteed minimum where commencement of guaranteed minimum pension postponed);
 - (b) a revaluation in accordance with section 16 of the Pension Schemes Act 1993 or section 12 of the Pension Schemes (Northern Ireland) Act 1993 (early leavers: revaluation of earnings factors);
 - (c) a revaluation in accordance with Chapter 2 of Part 4 of the Pension Schemes Act 1993 or the Pension Schemes (Northern Ireland) Act 1993 (early leavers: revaluation of accrued benefits);
 - (d) a revaluation in accordance with Chapter 3 of Part 4 of the Pension Schemes Act 1993 or the Pension Schemes (Northern Ireland) Act 1993 (early leavers: protection of increases in guaranteed minimum pensions);
 - (e) the application of section 67 of the Equality Act 2010 (sex equality rule for occupational pension schemes).
- (9) Sub-paragraph (10) applies in relation to a tax year if—
- (a) the arrangement is a defined benefits arrangement which is under an annuity contract treated as a registered pension scheme under section 153(8) of FA 2004,
 - (b) the contract provides for the value of the rights of the individual to be increased during the tax year at an annual rate specified in the contract, and
 - (c) the contract limits the annual rate to the percentage increase in the retail prices index over a 12 month period specified in the contract.
- (10) Sub-paragraph (6)(b)(i) applies as if it referred instead to the annual rate of the increase in the value of the rights during the tax year.
- (11) For the purposes of sub-paragraph (9)(c) the 12 month period must end during the 12 month period preceding the month in which the increase in the value of the rights occurs.

Modifications etc. (not altering text)

- C2** Sch. 4 para. 4(1)(b) modified (6.4.2023) by [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023 \(S.I. 2023/113\)](#), regs. 1(2), 40, 41 (with reg. 1(3))

Protection-cessation events: interpretation: “impermissible transfer”

- 5 Paragraph 17A of Schedule 36 to FA 2004 (impermissible transfers) applies for the purposes of paragraph 3(b) but as if—
- (a) the references to a relevant existing arrangement were to the arrangement, and
 - (b) the reference in sub-paragraph (2) to 5 April 2006 were to 5 April 2016.

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Protection-cessation events: interpretation: “permitted transfer”

- 6 Sub-paragraphs (7) to (8B) of paragraph 12 of Schedule 36 to FA 2004 (when there is a permitted transfer) apply for the purposes of paragraph 3(c).

Protection-cessation events: interpretation: “permitted circumstances”

- 7 Sub-paragraphs (2A) to (2C) of paragraph 12 of Schedule 36 to FA 2004 (“permitted circumstances”) apply for the purposes of paragraph 3(d).

Protection-cessation events: interpretation: relieved non-UK pension schemes

- 8 (1) Subject to sub-paragraphs (2) to (4), paragraph 3 applies in relation to an individual who is a relieved member of a relieved non-UK pension scheme as if the relieved non-UK pension scheme were a registered pension scheme; and the other paragraphs of this Part of this Schedule apply accordingly.
- (2) Sub-paragraphs (3) and (4) apply for the purposes of paragraph 3(a) (instead of paragraph 4(1)) in determining if there is benefit accrual in relation to an individual under an arrangement under a relieved non-UK pension scheme of which the individual is a relieved member.
- (3) There is benefit accrual in relation to the individual under the arrangement if there is a pension input amount under sections 230 to 237 of FA 2004 (as applied by Schedule 34 to that Act) greater than nil in respect of the arrangement for a tax year; and, in such a case, the benefit accrual is treated as occurring at the end of the tax year.
- (4) There is also benefit accrual in relation to the individual under the arrangement if—
- (a) in a tax year there occurs a benefit crystallisation event in relation to the individual (whether in relation to the arrangement or to any other arrangement under any pension scheme or otherwise), and
 - (b) had the tax year ended immediately before the benefit crystallisation event, there would have been a pension input amount under sections 230 to 237 of FA 2004 greater than nil in respect of the arrangement for the tax year,
- and, in such a case, the benefit accrual is treated as occurring immediately before the benefit crystallisation event.

PART 2

“INDIVIDUAL PROTECTION 2016”

Modifications etc. (not altering text)

- C3 Sch. 4 Pt. 2 modified (6.4.2023) by [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023 \(S.I. 2023/113\)](#), regs. 1(2), 37, 38 (with reg. 1(3))

The protection

- 9 (1) Sub-paragraph (2) applies at any particular time on or after 6 April 2016 in the case of an individual if—
- (a) the individual has one or more relevant arrangements (see sub-paragraph (3)) on 5 April 2016,

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- (b) the individual's relevant amount at the particular time is greater than £1,000,000 (see sub-paragraphs (4) and (7)),
 - (c) paragraph 7 of Schedule 36 to FA 2004 (primary protection) does not make provision for a lifetime allowance enhancement factor in relation to the individual,
 - (d) none of the provisions listed in sub-paragraph (5) applies in the individual's case at the particular time, and
 - (e) at the particular time or any later time, the individual has a reference number (see Part 3 of this Schedule) for the purposes of sub-paragraph (2).
- (2) Part 4 of FA 2004 has effect in relation to the individual as if the standard lifetime allowance were—
- (a) if the individual's relevant amount at the particular time is greater than £1,250,000, the greater of the standard lifetime allowance and £1,250,000, or
 - (b) otherwise, the greater of the individual's relevant amount at the particular time and the standard lifetime allowance.
- (3) “Relevant arrangement”, in relation to an individual, means an arrangement relating to the individual under—
- (a) a registered pension scheme of which the individual is a member, or
 - (b) a relieved non-UK pension scheme of which the individual is a relieved member.
- (4) An individual's “relevant amount” is the sum of amounts A, B, C and D (see paragraphs 10 to 13, but see also sub-paragraph (7)).
- (5) The provisions mentioned in sub-paragraph (1)(d) are—
- (a) paragraph 12 of Schedule 36 to FA 2004 (enhanced protection);
 - (b) paragraph 14 of Schedule 18 to FA 2011 (fixed protection 2012);
 - (c) paragraph 1 of Schedule 22 to FA 2013 (fixed protection 2014);
 - (d) paragraph 1(2) of Schedule 6 to FA 2014 (individual protection 2014);
 - (e) paragraph 1(2) of this Schedule (fixed protection 2016).
- (6) Sub-paragraph (7) applies if rights of an individual under a relevant arrangement become subject to a pension debit where the transfer day falls on or after 6 April 2016.
- (7) For the purpose of applying sub-paragraph (2) in the case of the individual on and after the transfer day, the individual's relevant amount is reduced (or further reduced) by the following amount—

$$X - (Y \times Z)$$

where—

X is the appropriate amount,

Y is 5% of X, and

Z is the number of tax years beginning after 5 April 2016 and ending on or before the transfer day.

(If the formula gives a negative amount, it is to be taken to be nil.)

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- (8) In sub-paragraphs (6) and (7) “appropriate amount” and “transfer day”, in relation to a pension debit, have the same meaning as in section 29 of WRPA 1999 or Article 26 of WRP(NI)O 1999 (as the case may be).

Amount A (pre-6 April 2006 pensions in payment)

- 10 (1) To determine amount A—
- (a) apply sub-paragraph (2) if a benefit crystallisation event has occurred in relation to the individual during the period beginning with 6 April 2006 and ending with 5 April 2016;
 - (b) otherwise, apply sub-paragraph (6).
- (2) If this sub-paragraph is to be applied, amount A is—

$$25 \times \text{ARP} \times \frac{\pounds 1,250,000}{\text{SLT}}$$

where—

ARP is (subject to sub-paragraph (3)) an amount equal to—

- (a) the annual rate at which any relevant existing pension was payable to the individual at the time immediately before the benefit crystallisation event occurred, or
- (b) if more than one relevant existing pension was payable to the individual at that time, the sum of the annual rates at which each of the relevant existing pensions was so payable, and

SLT is an amount equal to what the standard lifetime allowance was at the time the benefit crystallisation event occurred.

- (3) Paragraph 20(4) of Schedule 36 to FA 2004 applies for the purposes of the definition of “ARP” in sub-paragraph (2) (and, for this purpose, in paragraph 20(4) any reference to “the time” is to be read as a reference to the time immediately before the benefit crystallisation event occurred).
- (4) If the time immediately before the benefit crystallisation event occurred falls before 6 April 2015, in sub-paragraph (3) references to paragraph 20(4) are to be read as references to that provision as it had effect in relation to benefit crystallisation events occurring at the time immediately before the benefit crystallisation event occurred.
- (5) If more than one benefit crystallisation event has occurred, in sub-paragraphs (2) to (4) references to the benefit crystallisation event are to be read as references to the first benefit crystallisation event.
- (6) If this sub-paragraph is to be applied, amount A is—

$$25 \times \text{ARP}$$

where ARP is (subject to sub-paragraph (7)) an amount equal to—

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- a the annual rate at which any relevant existing pension is payable to the individual at the end of 5 April 2016, or
 - b if more than one relevant existing pension is payable to the individual at the end of 5 April 2016, the sum of the annual rates at which each of the relevant existing pensions is so payable.
- (7) Paragraph 20(4) of Schedule 36 to FA 2004 applies for the purposes of the definition of “ARP” in sub-paragraph (6) (and, for this purpose, in paragraph 20(4) any reference to “the time” is to be read as a reference to 5 April 2016).
- (8) In this paragraph “relevant existing pension” means (subject to sub-paragraph (9)) a pension, annuity or right—
- (a) which was, at the end of 5 April 2006, a “relevant existing pension” as defined by paragraph 10(2) and (3) of Schedule 36 to FA 2004, and
 - (b) to the payment of which the individual had, at the end of 5 April 2006, an actual (rather than a prospective) right.
- (9) If—
- (a) before 6 April 2016, there was a recognised transfer of sums or assets representing a relevant existing pension, and
 - (b) those sums or assets were, after the transfer, applied towards the provision of a scheme pension (“the new scheme pension”),
- the new scheme pension is also to be a “relevant existing pension” (including for the purposes of this sub-paragraph).

Amount B (pre-6 April 2016 benefit crystallisation events)

- 11 (1) To determine amount B—
- (a) identify each benefit crystallisation event that has occurred in relation to the individual during the period beginning with 6 April 2006 and ending with 5 April 2016,
 - (b) determine the amount that was crystallised by each of those benefit crystallisation events (applying paragraph 14 of Schedule 34 to FA 2004 if relevant), and
 - (c) multiply each crystallised amount by the following fraction—

$$\frac{1,250,000}{\text{SLT}}$$

where SLT is an amount equal to what the standard lifetime allowance was at the time when the benefit crystallisation event in question occurred.

- (2) Amount B is the sum of the crystallised amounts determined under sub-paragraph (1) (b) as adjusted under sub-paragraph (1)(c).

Amount C (uncrystallised rights at end of 5 April 2016 under registered pension schemes)

- 12 Amount C is the total value of the individual's uncrystallised rights at the end of 5 April 2016 under arrangements relating to the individual under registered pension schemes of which the individual is a member as determined in accordance with section 212 of FA 2004.

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Amount D (uncrystallised rights at end of 5 April 2016 under relieved non-UK schemes)

- 13 (1) To determine amount D—
- (a) identify each relieved non-UK pension scheme of which the individual is a relieved member at the end of 5 April 2016, and
 - (b) in relation to each such scheme—
 - (i) assume that a benefit crystallisation event occurs in relation to the individual at the end of 5 April 2016, and
 - (ii) in accordance with paragraph 14 of Schedule 34 to FA 2004, determine what the untested portion of the relevant relieved amount would be immediately before the assumed benefit crystallisation event.
- (2) Amount D is the sum of the untested portions determined under sub-paragraph (1)(b)(ii).

PART 3

REFERENCE NUMBERS ETC

Issuing of reference numbers for fixed or individual protection 2016

- 14 (1) An individual has a reference number for the purposes of paragraph 1(2), or for the purposes of paragraph 9(2), if a reference number—
- (a) has been issued by or on behalf of the Commissioners in respect of the individual for the purposes concerned, and
 - (b) has not been withdrawn.
- (2) Such a reference number—
- (a) may include, or consist of, characters other than figures, and
 - (b) may be issued only if a valid application for its issue is received by or on behalf of the Commissioners.
- (3) A valid application is an application—
- (a) made by or on behalf of the individual concerned,
 - (b) made on or after 6 April 2016,
 - (c) made by means of a digital service provided for the purpose by or on behalf of the Commissioners, or by other means authorised in a particular case by an officer of Revenue and Customs,
 - (d) containing—
 - (i) the following details for the individual and, where the individual is not the applicant, also for the applicant: title, full name, full postal address and e-mail address,
 - (ii) the individual's date of birth,
 - (iii) the individual's national insurance number, or the reason why the individual does not qualify for a national insurance number, and
 - (iv) a declaration that everything stated in the application is true and complete to the best of the applicant's knowledge and belief,
 - (e) containing also in the case of an application for a reference number for the purposes of paragraph 1(2)—

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- (i) a declaration that the conditions specified in paragraph 2 are met in the individual's case, and
- (ii) a declaration that there has been no protection-cessation event (see paragraph 3) in the individual's case in the period beginning with 6 April 2016 and ending with the making of the application, and
- (f) containing also in the case of an application for a reference number for the purposes of paragraph 9(2)—
 - (i) the individual's relevant amount (see paragraph 9(4) and (7)),
 - (ii) amounts A, B, C and D for the individual (see paragraphs 10 to 13),
 - (iii) if rights of the individual under a relevant arrangement have become subject to a relevant pension debit, the appropriate amount and transfer day for each such pension debit,
 - (iv) a declaration that the condition in paragraph 9(1)(c) is met in the individual's case, and
 - (v) a declaration that paragraph 1(2) of Schedule 6 to FA 2014 (“individual protection 2014”) does not apply in the individual's case.
- (4) Where an application for a reference number for the purposes of paragraph 1(2) or 9(2) is unsuccessful, or is successful on a dormant basis, that must be notified to the applicant by or on behalf of the Commissioners.
- (5) In sub-paragraph (3)(f)(iii) and this sub-paragraph—
 - “relevant arrangement” has the meaning given by paragraph 9(3);
 - “relevant pension debit”, in relation to an application for a reference number, means a pension debit where—
 - (a) the transfer day falls on or after 6 April 2016 and before the day on which the application is made, and
 - (b) the individual has, before the day on which the application is made, received notice under regulation 8(2) or (3) of the Pensions on Divorce etc. (Provision of Information) Regulations 2000 (S.I. 2000/1048) relating to discharge of liability in respect of the pension credit corresponding to the pension debit;
 - “appropriate amount” and “transfer day”, in relation to a pension debit, have the same meaning as in paragraph 9(6) and (7) (see paragraph 9(8)).
- (6) Sub-paragraph (3)(c) is not to be read as requiring a digital service to be provided and available for the purpose referred to.
- (7) For the purposes of this Part of this Schedule, an application for a reference number for the purposes of paragraph 1(2) is successful on a dormant basis if the decision on the application is that—
 - (a) the application would have been unconditionally successful but for the fact that paragraph 1(2) of Schedule 6 to FA 2014 (“individual protection 2014”) applies in the case of the individual concerned, and
 - (b) a reference number for the purposes of paragraph 1(2) will be issued in response to the application but only when paragraph 1(2) of Schedule 6 to FA 2014 does not apply in the individual's case.
- (8) For the purposes of this Part of this Schedule, an application for a reference number for the purposes of paragraph 9(2) is successful on a dormant basis if the decision on the application is that—

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- (a) the application would have been unconditionally successful but for the fact that a prior provision applies in the case of the individual concerned, and
 - (b) a reference number for the purposes of paragraph 9(2) will be issued in response to the application but only when no prior provision applies in the individual's case.
- (9) For the purposes of sub-paragraph (8), the prior provisions are—
- (a) paragraph 12 of Schedule 36 to FA 2004 (enhanced protection),
 - (b) paragraph 14 of Schedule 18 to FA 2011 (fixed protection 2012),
 - (c) paragraph 1 of Schedule 22 to FA 2013 (fixed protection 2014), and
 - (d) paragraph 1(2) of this Schedule (fixed protection 2016).

Withdrawal of reference numbers

- 15 (1) This paragraph applies where a reference number for the purposes of paragraph 1(2) or 9(2) has been issued by or on behalf of the Commissioners in respect of an individual.
- (2) The number may be withdrawn by an officer of Revenue and Customs.
- (3) The number may be withdrawn only if—
- (a) something contained in the application for the number was incorrect, or
 - (b) where the number was for the purposes of paragraph 1(2)—
 - (i) there has been a protection-cessation event (see paragraph 3) in the individual's case since the making of the application, or
 - (ii) paragraph 1(2) of Schedule 6 to FA 2014 has come to apply in the individual's case, or
 - (c) where the number was for the purposes of paragraph 9(2)—
 - (i) a provision listed in paragraph 9(5) has come to apply in the individual's case, or
 - (ii) paragraph 9(2) has ceased to apply in the individual's case as a result of the operation of paragraph 9(7), or
 - (d) the individual—
 - (i) has been given a notice under paragraph 1 of Schedule 36 to FA 2008 (information and inspection powers: taxpayer notice) in connection with (as the case may be) Part 1 or 2 of this Schedule, and
 - (ii) fails to comply with the notice within the period specified in the notice.
- (4) Where the number is withdrawn—
- (a) notice of the withdrawal, and
 - (b) reasons for the withdrawal,
- are to be given by an officer of Revenue and Customs to the individual.
- (5) Where the number is withdrawn, the effect of the withdrawal is as follows—
- (a) in the case of withdrawal in reliance on sub-paragraph (3)(a), the number is treated as never having been issued,
 - (b) in the case of withdrawal in reliance on paragraph (b) or (c) of sub-paragraph (3), the number is treated as having been withdrawn at the time of the event mentioned in sub-paragraph (i) or (ii) of that paragraph, and

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- (c) in the case of withdrawal in reliance on sub-paragraph (3)(d), the number is treated as having been withdrawn at the time specified in the notice of the withdrawal as the effective time of the withdrawal, which may be any time not earlier than the time of issue of the number.

Appeals against non-issue or withdrawal of reference numbers

- 16 (1) Where—
- (a) an application is made for a reference number for the purposes of paragraph 1(2) or 9(2) in respect of an individual, and
 - (b) the application is unsuccessful (see sub-paragraph (9)),
- the individual may appeal against the decision on the application.
- (2) Where a reference number issued in respect of an individual for the purposes of paragraph 1(2) or 9(2) is withdrawn, the individual may appeal against the withdrawal.
- (3) Where a reference number issued in respect of an individual for the purposes of paragraph 1(2) or 9(2) is withdrawn in reliance on paragraph 15(3)(d), the individual may appeal against the time specified (in the notice of the withdrawal) as the effective time of the withdrawal.
- (4) Where an appeal under sub-paragraph (1) is notified to the tribunal, the tribunal—
- (a) must allow the appeal if satisfied—
 - (i) that the application was a valid application,
 - (ii) that everything in the application was correct, and
 - (iii) that, at the time of deciding the appeal, paragraph 15(3)(b), (c) or (d) does not authorise withdrawal of the requested number (assuming it had been issued), and
 - (b) must otherwise dismiss the appeal.
- (5) Where an appeal under sub-paragraph (2) is notified to the tribunal, the tribunal—
- (a) must allow the appeal if satisfied that the withdrawal was not authorised by paragraph 15(3), and
 - (b) must otherwise dismiss the appeal.
- (6) Where an appeal under sub-paragraph (3) is notified to the tribunal, the tribunal must decide whether it was just and reasonable to specify the particular time specified and—
- (a) if the tribunal decides that it was, the tribunal must dismiss the appeal, and
 - (b) otherwise—
 - (i) the tribunal must decide what time it would have been just and reasonable to specify, and
 - (ii) the withdrawal has effect as if the notice of the withdrawal had specified the time decided by the tribunal.
- (7) Notice of an appeal under this paragraph must be given to Her Majesty's Revenue and Customs before the end of 30 days beginning with the date on which notice under paragraph 14(4) or 15(4) (as the case may be) is given.
- (8) In this paragraph “the tribunal” means the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal.

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- (9) The references in sub-paragraph (1) and paragraph 17(3)(b)(ii) to an application being unsuccessful do not include a case where an application for a reference number for the purposes of paragraph 1(2) or 9(2) is successful on a dormant basis (see paragraph 14(7) and (8)).

Notification of subsequent protection-cessation events

- 17 (1) Sub-paragraph (2) applies if, in the case of an individual, there is a protection-cessation event (see paragraphs 3 to 8) at a time when—
- (a) the individual has a reference number for the purposes of paragraph 1(2),
 - (b) there is a pending application for a reference number for those purposes in respect of the individual, or
 - (c) an appeal under paragraph 16(2) or (3) is in progress in connection with withdrawal of a reference number issued for those purposes in respect of the individual.
- (2) The individual—
- (a) must notify the Commissioners of the event, and
 - (b) must do so—
 - (i) before the end of 90 days beginning with the day on which the individual could first reasonably be expected to have known that the event had occurred, and
 - (ii) by means of a digital service provided for the purpose by or on behalf of the Commissioners, or by other means authorised in a particular case by an officer of Revenue and Customs.
- (3) For the purposes of this paragraph—
- (a) an application is pending if—
 - (i) it has been made,
 - (ii) no reference number has been issued in response to the application, and
 - (iii) the applicant has not been notified that the application has been unsuccessful;
 - (b) an application is also pending if—
 - (i) it has been made,
 - (ii) it has been unsuccessful, and
 - (iii) an appeal under paragraph 16(1) is in progress against the decision on the application;
 - (c) an appeal under paragraph 16(1), (2) or (3) is in progress until one of the following happens—
 - (i) it, or any further appeal, is withdrawn, or
 - (ii) it and any further appeal brought have been determined, and there is no prospect of further appeal.

Notification of subsequent pension debits

- 18 (1) Sub-paragraph (2) applies if an individual receives a discharge notice related to a pension debit at a time when—
- (a) the individual has a reference number for the purposes of paragraph 9(2),

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- (b) there is a pending application for a reference number for those purposes in respect of the individual, or
 - (c) an appeal under paragraph 16(2) or (3) is in progress in connection with withdrawal of a reference number issued for those purposes in respect of the individual.
- (2) The individual—
- (a) must notify the Commissioners of the appropriate amount and transfer day for the pension debit, and
 - (b) must do so—
 - (i) before the end of 60 days beginning with the date of the discharge notice related to the pension debit, and
 - (ii) by means of a digital service provided for the purpose by or on behalf of the Commissioners, or by other means authorised in a particular case by an officer of Revenue and Customs.
- (3) For the purposes of this paragraph—
- (a) a notice is a discharge notice related to a pension debit if it is notice under regulation 8(2) or (3) of the Pensions on Divorce etc. (Provision of Information) Regulations 2000 (S.I. 2000/1048) relating to discharge of liability in respect of the pension credit corresponding to the pension debit;
 - (b) an application is pending if—
 - (i) it has been made,
 - (ii) no reference number has been issued in response to the application,
 - (iii) the applicant has not been notified that the application has been unsuccessful, and
 - (iv) the applicant has not been notified that the application has been successful on a dormant basis (see paragraph 14(8));
 - (c) an application is also pending if—
 - (i) it has been made,
 - (ii) it has been unsuccessful, and
 - (iii) an appeal under paragraph 16(1) is in progress against the decision on the application;
 - (d) an appeal under paragraph 16(1), (2) or (3) is in progress until one of the following happens—
 - (i) it, or any further appeal, is withdrawn, or
 - (ii) it and any further appeal brought have been determined, and there is no prospect of further appeal.

Personal representatives

19

If an individual dies—

- (a) anything which could have been done under or by virtue of this Part of this Schedule by the individual may be done by the individual's personal representatives,
- (b) paragraph 14(3)(d)(ii) has effect in relation to an application made in respect of the individual after the individual's death as if it also required a valid application to contain the individual's date of death, and
- (c) any notice or reasons given under paragraph 15(4) after the individual's death are to be given to the individual's personal representatives.

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Penalties for non-supply, or fraudulent etc supply, of information under paragraph 17 or 18

20 In column 2 of the Table in section 98 of TMA 1970 (provisions about information where non-compliance etc attracts penalties), at the appropriate place insert—

“paragraph 17 or 18 of Schedule 4 to FA 2016;”

PART 4

INFORMATION

Preservation of records in connection with individual protection 2016

21 If an individual is issued with a reference number for the purposes of paragraph 9(2), the individual must preserve, for the period of 6 years beginning with the date the application for the reference number was made, all such records as were required for the purpose of enabling the individual's relevant amount (see paragraph 9), and amounts A, B, C and D for the individual (see paragraphs 10 to 13), to be correctly calculated.

Amendments of regulations

22 (1) The Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567) are amended in accordance with paragraphs 23 to 26.

(2) The amendments made by those paragraphs are to be treated as having been made by the Commissioners under such of the powers cited in the instrument containing the Regulations as are applicable.

23 In regulation 2(1) (interpretation)—

(a) after the entry for “fixed protection 2014” insert—

““fixed protection 2016” means protection under paragraph 1(2) of Schedule 4 to FA 2016;”, and

(b) after the entry for “individual protection 2014” insert—

““individual protection 2016” means protection under paragraph 9(2) of Schedule 4 to FA 2016;”.

24 (1) In the table in regulation 3(1) (provision of event reports by scheme administrators to HM Revenue and Customs), the entry for reportable event 6 (report where benefit crystallisation event occurs in relation to member of scheme) is amended as follows.

(2) In column 1 of the entry, in paragraph (b)—

(a) omit the “or” at the end of sub-paragraph (iv), and

(b) after sub-paragraph (v) insert “, or

(vi) fixed protection 2016 or individual protection 2016.”

(3) In column 2 of the entry—

(a) in the words before paragraph (a), before “the Commissioners” insert “ or on behalf of”,

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- (b) omit the “or” at the end of paragraph (c), and
 - (c) after paragraph (d) insert “, or
 - (e) Schedule 4 to the Finance Act 2016 (where the member relies on fixed protection 2016 or individual protection 2016).”
- (4) In the heading of the entry, for the words after “Benefit crystallisation events and” substitute “ non-standard lifetime allowances ”.
- 25 (1) Regulation 11 (information provided to scheme administrator by member intending to rely on transitional protection in connection with lifetime allowance) is amended as follows.
- (2) In paragraph (1)—
- (a) omit the “or” at the end of sub-paragraph (b),
 - (b) after sub-paragraph (c) (but before the closing words of paragraph (1)) insert “, or
 - (d) fixed protection 2016 by virtue of Part 1 of Schedule 4 to the Finance Act 2016,” , and
 - (c) in those closing words—
 - (i) before “the Commissioners” insert “ or on behalf of ”, and
 - (ii) before “in respect of that entitlement” insert “ or Schedule 4 to the Finance Act 2016 ”.
- (3) After paragraph (2) insert—
- “(3) If the member of a registered pension scheme intends to rely on individual protection 2016 by virtue of Part 2 of Schedule 4 to the Finance Act 2016, the member must notify the scheme administrator of—
- (a) the reference number in respect of the member issued by or on behalf of the Commissioners for the purposes of paragraph 9(2) of that Schedule, and
 - (b) the member's relevant amount calculated in accordance with Part 2 of that Schedule.”
- (4) In the heading—
- (a) for the “or” substitute a comma, and
 - (b) at the end insert “, fixed protection 2016 or individual protection 2016 ”.
- 26 After regulation 14B insert—

Individual protection 2016: provision of information by scheme administrator to member on request

“14Q(1) Where—

- (a) an individual is a member of a registered pension scheme on 5 April 2016,
- (b) the individual makes a written request to the scheme administrator for the information mentioned in paragraph (2), and
- (c) the request is received by the scheme administrator before 6 April 2020,

the scheme administrator must provide the individual with the information within 3 months following receipt of the request.

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(2) The information is such information relating to the member's rights under the scheme as is necessary for calculating, in accordance with Part 2 of Schedule 4 to the Finance Act 2016 (individual protection 2016), the member's relevant amount for the purposes of paragraph 9(2) of that Schedule.”

- 27 In consequence of paragraph 24(4), in each of—
- (a) the Registered Pension Schemes (Provision of Information) (Amendment) Regulations 2013 (S.I. 2013/1742), and
 - (b) the Registered Pension Schemes (Provision of Information) (Amendment) Regulations 2014 (S.I. 2014/1843),
- omit regulation 4(2)(a).

PART 5

AMENDMENTS IN CONNECTION WITH PROTECTION OF PRE-6 APRIL 2006 RIGHTS

- 28 (1) In Part 1 of Schedule 29 to FA 2004 (pension schemes: interpretation of the lump sum rule), in paragraph 2 (permitted maximum amount of pension commencement lump sums, calculated in certain cases by deducting adjusted value of previously crystallised amounts from current standard lifetime allowance), in sub-paragraph (10) (modified adjustments where member has protection under paragraph 7 or 12 of Schedule 36 by reference to pre-6 April 2006 rights), after “have effect” insert “—
- (a) where the member becomes entitled to the lump sum on or after 6 April 2014, as if PSLA in the case of any previous benefit crystallisation event which occurs on or after 6 April 2014 were £1,500,000 if that is greater than PSLA in that case, and
 - (b)”.
- (2) In paragraph 28(3) of Schedule 36 to FA 2004 (transitional provision for pre-6 April 2006 rights: modified version of paragraph 2 of Schedule 29 that applies in certain cases), in the sub-paragraph (7) treated as substituted in paragraph 2 of Schedule 29 to FA 2004, in the definition of “PSLA”, after “became entitled to the lump sum” insert “if that occurred before 6 April 2012 but, if that occurred on or after 6 April 2012, PSLA is the greater of £1,800,000 and the standard lifetime allowance at the time the individual became entitled to the lump sum”.
- (3) The amendment made by sub-paragraph (1) is treated as having come into force on 6 April 2014.
- (4) The amendment made by sub-paragraph (2) is treated as having come into force on 6 April 2012.

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PART 6

INTERPRETATION AND REGULATIONS

Interpretation of Parts 1, 2 and 3

- 29 (1) Expressions used in Part 1, 2 or 3 of this Schedule, and in Part 4 of FA 2004 (pension schemes), have the same meaning in that Part of this Schedule as in that Part of that Act.
- (2) In particular, references to a relieved non-UK pension scheme or a relieved member of such a scheme are to be read in accordance with paragraphs 13(3) and (4) and 18 of Schedule 34 to FA 2004 (application of lifetime allowance charge provisions to members of overseas pension schemes).

Interpretation of Parts 3 and 4 and this Part

- 30 In Parts 3 and 4, and this Part, of this Schedule “the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs.

Regulations

- 31 (1) The Commissioners may by regulations amend Part 1, 2 or 3 of this Schedule.
- (2) Regulations under this paragraph may (for example)—
- (a) add to the cases in which paragraph 1(2) is to apply or is to cease to apply;
 - (b) add to the cases in which paragraph 9(2) is to apply.
- (3) Regulations under this paragraph may include provision having effect in relation to a time before the regulations are made, but—
- (a) the time must not be earlier than 6 April 2016, and
 - (b) the provision must not increase any person's liability to tax.
- (4) Regulations under this paragraph may include—
- (a) supplementary or incidental provision;
 - (b) consequential amendments of the Table in section 98 of TMA 1970 (information requirements: penalties).
- (5) Power to make regulations under this paragraph is exercisable by statutory instrument.
- (6) A statutory instrument containing regulations under this paragraph is subject to annulment in pursuance of a resolution of the House of Commons.

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