

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2016. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 4 **U.K.**

PENSIONS: LIFETIME ALLOWANCE: TRANSITIONAL PROVISION

PART 2 **U.K.**

“INDIVIDUAL PROTECTION 2016”

Modifications etc. (not altering text)

- C1** 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))

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

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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—

- 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).

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)