
STATUTORY INSTRUMENTS

2006 No. 717

**The Armed Forces Pension Scheme
etc. (Amendment) Order 2006**

Cases where certain charges under the Finance Act 2004 apply

10.—(1) After rule J.10 of the scheme insert—

“Payment and deduction of tax

Payment on behalf of members of lifetime allowance charge

J.11.—(1) A member may request the person who is the scheme administrator for the purposes of section 217 of the Finance Act 2004 (“the administrator”) to pay on his behalf any amount that is payable by way of the lifetime allowance charge under section 214 of that Act when—

- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of that Act occurs in relation to him, and
- (b) the member and the administrator are jointly and severally liable to the charge in respect of the event.

(2) Such a request may only be made by notice in writing given before the event occurs.

(3) The administrator may only comply with such a request if the member pays him the amount in question on or before the date on which the event occurs.

Reduction of benefits and transfer values where lifetime allowance charge payable

J.12.—(1) This rule applies if—

- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 (“the table”) occurs in relation to a member,
- (b) the member and the person who is the scheme administrator for the purposes of section 217 of that Act (“the administrator”) are jointly and severally liable to the charge in respect of the event, and
- (c) no request has been duly made under rule J.11 in relation to the event or, if such a request has been made, the administrator is prevented from complying with it by paragraph (3) of that rule.

(2) Where this rule applies—

- (a) the administrator must pay the tax payable on the event,
- (b) if the event is benefit crystallisation event 8 in the table (transfer to qualifying recognised overseas pension scheme), the amount or value of the sums or assets transferred must be reduced, and
- (c) in the case of any other event, the amount or value of the benefits payable to or in respect of the member must be reduced.

(3) The amount or value of the reduction must be such that, in the opinion of the Scheme actuary, it fully reflects the amount of the tax so paid.

Deduction of special lump sum death benefits charge

J.13 Before a payment is made that is a pension protection lump sum death benefit for the purposes of Part 4 of the Finance Act 2004 (see paragraph 14 of Schedule 29 to that Act), the person who is the scheme administrator for the purposes of section 217 of that Act may deduct from it any tax due in respect of the payment under section 206 of that Act (the special lump sum death benefits charge).”.

(2) In the Arrangement of Rules of the Scheme after “J.10 Information and evidence” insert—

“Payment and deduction of tax

J.11 Payment on behalf of members of lifetime allowance charge

J.12 Reduction of benefits and transfer values where lifetime allowance charge payable

J.13 Deduction of special lump sum death benefits charge.”.