
STATUTORY INSTRUMENTS

2023 No. 113

The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023

PART 3

Modifications of Schedule 15 to FA 2020

Tax relief for compensation payments

44.—(1) Schedule 15 to FA 2020 (tax relief for scheme payments etc)(1) has effect subject to the following modifications.

(2) Paragraph 2 (qualifying payments) has effect as if—

- (a) in sub-paragraph (1), for “(5)” there were substituted “(5) and (5A)”;
- (b) after sub-paragraph (5) there were inserted—

“(5A) A payment is within this sub-paragraph if it is a compensation payment made under or by virtue of Part 1 of PSPJOA 2022.”.

(3) Paragraph 3 (exemption from income tax) has effect as if after sub-paragraph (5) there were inserted—

“(6) This paragraph has effect in relation to qualifying payments within paragraph 2(5A) whenever received.”.

(4) Paragraph 4 (exemptions from capital gains tax) has effect as if, in sub-paragraph (3)—

- (a) the “and” at the end of paragraph (b) were omitted;
- (b) after paragraph (c) there were inserted—

“, and

(d) in a case where the qualifying payment concerned is within paragraph 2(5A), in relation to disposals whenever made.”.

(5) Paragraph 5 (relief from inheritance tax) has effect as if—

- (a) in sub-paragraph (1), for “sub-paragraph (4)” there were substituted “sub-paragraphs (4) and (4A)”;
- (b) after sub-paragraph (4) there were inserted—

“(4A) This paragraph does not apply in a case where the qualifying payment is within paragraph 2(5A).”.

(1) 2020 c. 14. “FA 2020” is defined as the Finance Act 2020 (c. 14) in section 103 of the Finance Act 2022.