
STATUTORY INSTRUMENTS

2023 No. 113

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

PART 2

Modifications of Part 4 of the Finance Act 2004

CHAPTER 3

Benefits

Pension commencement lump sum: additional lump sum paid for deceased member

24.—(1) Paragraphs (2) to (5) apply where—

- (a) as a result of a relevant rectification provision, an amount by way of lump sum (“the additional lump sum”) has become payable to a member (“P”), or to P’s personal representatives, under a pension scheme,
- (b) the additional lump sum would have been a pension commencement lump sum if it had been paid to P within the period specified in paragraph 1(1)(c) of Schedule 29 to FA 2004 (time period within which pension commencement lump sum must be paid),
- (c) P dies without having been paid the additional lump sum, and
- (d) the additional lump sum is paid to P’s personal representatives.

(2) The payment—

- (a) is to be treated as falling within section 164(1) of FA 2004 (authorised member payments);
- (b) is to be treated as a pension commencement lump sum paid under a registered pension scheme for the purposes of Part 9 of ITEPA 2003⁽¹⁾.

(3) The making of the payment is to be treated as a benefit crystallisation event⁽²⁾ in relation to P for the purposes of the lifetime allowance charge⁽³⁾.

(4) The amount crystallised for the purposes of that benefit crystallisation event is the amount of the payment.

(5) Regulation 5 of RPS(AP)R 2009 (lump sum errors) does not apply in relation to the payment.

(1) Chapter 15A (applying to lump sums paid under registered pension schemes) was inserted into Part 9 of ITEPA 2003 by paragraph 11 of Schedule 31 to FA 2004. Section 636A (relating to exemptions for certain lump sums including pension commencement lump sums) was inserted by paragraph 11 of Schedule 31 to FA 2004, and was amended by paragraph 28 of Schedule 19, and Part 3 of Schedule 27, to FA 2007, paragraph 42 of Schedule 16 to FA 2011, paragraph 5(3) of Schedule 5 to FA 2014 (c. 26), paragraph 62 of Schedule 1, and paragraph 19 of Schedule 2, to the Taxation of Pensions Act 2014, section 22(2) to (4) of F(No. 2)A 2015, paragraph 2 of Schedule 5 to FA 2016, and by [S.I. 2006/569](#).

(2) Section 216 of FA 2004 sets out the events which are benefit crystallisation events in relation to an individual, and the amount which is crystallised by each of those events.

(3) Section 214 of FA 2004 sets out when the lifetime allowance charge will arise in relation to a benefit crystallisation event.

Changes to legislation: There are currently no known outstanding effects for the The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023, Section 24. (See end of Document for details)

Commencement Information

II [Reg. 24](#) in force at 6.4.2023, see [reg. 1\(2\)](#)

Changes to legislation:

There are currently no known outstanding effects for the The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023, Section 24.