
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

Recovery of underpaid lifetime allowance charge by reduction of scheme pension

27.—(1) Paragraph (3) applies where—

- (a) an individual (“P”) has become entitled to a scheme pension,
- (b) in a subsequent tax year, as a result of a relevant rectification provision—
 - (i) a lifetime allowance charge retrospectively arises in respect of the benefit crystallisation event mentioned in sub-paragraph (a), or
 - (ii) the amount of a lifetime allowance charge that arose in respect of that benefit crystallisation event retrospectively increases,
- (c) the scheme administrator⁽¹⁾ of the scheme under which the scheme pension is payable pays the new charge or (as the case may be) the increase in the charge, and
- (d) as a result of that payment, the rate of the scheme pension payable to P reduces.

(2) Paragraph (3) also applies where—

- (a) an individual (“P”) has become entitled to a scheme pension,
- (b) the scheme administrator of the scheme under which the scheme pension is payable pays a liability arising under regulation 36 (liability for lifetime allowance charge where private sector scheme discharged from liability), and
- (c) as a result of that payment, the rate of the scheme pension payable to P reduces.

(3) The reduction of the rate of the scheme pension does not prevent the scheme pension satisfying the condition in paragraph 2(3) of Schedule 28 to FA 2004 (requirement that rate of scheme pension does not reduce)⁽²⁾.

(1) For the purposes of Part 4 of FA 2004, “scheme administrator” must be construed in accordance with section 270 of that Act (but see also sections 271 to 274).

(2) Paragraph 2 of Schedule 28 was amended by paragraph 11 of Schedule 10 to FA 2005, paragraph 20 of Schedule 23 to FA 2006, paragraph 7 of Schedule 20 to FA 2007, section 51(2) of FA 2013, section 20 of FA 2016, paragraph 20 of Schedule 5 to FA 2021, and by [S.I. 2007/493](#).

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 27. (See end of Document for details)

Commencement Information

II [Reg. 27](#) 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 27.