STATUTORY INSTRUMENTS

2024 No. 1012

INCOME TAX

The Pensions (Abolition of Lifetime Allowance Charge etc) (No. 2) Regulations 2024

Made - - - -	*7th October 2024*
Laid before the House of Commons	*9th October 2024*
Coming into force - -	*18th November 2024*

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The Treasury make these Regulations in exercise of the powers conferred by paragraphs 133 and 134 of Schedule 9 to the Finance Act 2024(**a**).

PART 1

Introductory

Citation and commencement

1.—(1) These Regulations may be cited as the Pensions (Abolition of Lifetime Allowance Charge etc) (No. 2) Regulations 2024.

(2) These Regulations come into force on 18th November 2024.

(3) The amendments made by these Regulations have effect for the tax year 2024-25 and subsequent tax years.

PART 2

Amendments of primary legislation

TMA 1970

2. In the second column of the Table in section 98 of TMA 1970 (penalty for failure to give certificates etc)(**b**), at the appropriate place insert—

"Paragraph 127B of Schedule 9 to the Finance Act 2024"

(**a**) 2024 c. 3. In these footnotes, a reference to "FA" followed by a year is to a Finance Act of that year and a reference to "F(No. 2)A" followed by a year is to Finance (No. 2) Act of that year.
(**b**) 1970 c. 9. There are other amending instruments of the second column of the Table in section 98, but none is relevant. "TMA 1970" is defined in section 38 of FA 2024.

Chapter 15A of Part 9 of ITEPA 2003

3.—(1) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes)(**a**) is amended as follows.

(2) In the following provisions, for "immediately before the member becomes" substitute "on the member becoming"—

section 637C(3);

section 637D(3)(a) and (b).

(3) In the definitions of "the permitted maximum" in the following provisions, for "immediately before the lump sum is" substitute "on the lump sum being"—

section 637H(7);

section 637I(5);

section 637J(7);

section 637K(5);

section 637L(8);

section 637M(8).

(4) In section 637L (drawdown pension fund lump sum death benefits), in the following provisions, after "drawdown pension" insert "fund"—

subsection (1);

subsection (2)(a);

subsection (3)(a);

subsection (4)(a);

subsection (5);

subsection (6);

subsection (7);

the definition of "the permitted maximum" in subsection (8).

(5) In section 637Q(6) (availability of individual's lump sum allowance), for "is exempt from the charge to income tax by virtue of any provision of this Chapter" substitute "is not, by virtue of any provision of this Chapter, taxable pension income".

(6) In section 637S (availability of individual's lump sum and death benefit allowance)—

(a) in subsection (6), for "is exempt from the charge to income tax by virtue of any provision of this Chapter" substitute "is not, by virtue of any provision of this Chapter, taxable pension income";

(b) omit subsection (8).

(7) After section 637S insert—

"637T Section 637S: multiple lump sum death benefits paid

(1) This section applies where two or more relevant benefit crystallisation events within section 637S(2)(a)(ii) occur in relation to an individual.

(2) The relevant benefit crystallisation events are to be treated for the purposes of section 637S as occurring simultaneously—

(**a**) 2003 c. 1. Chapter 15A was inserted by paragraph 11 of Schedule 31 to FA 2004 (c. 12) and was substituted for a new Chapter 15A consisting of sections 367 to 367S by paragraph 41 of Schedule 9 to FA 2024. "ITEPA 2003" is defined in section 38 of FA 2024.

(a) immediately before the individual's death, and

(b) immediately after any pension commencement lump sum to which the individual becomes entitled immediately before death by virtue of section 166(2) of FA 2004 (lump sum rule).

(3) In the application of section 637S for the purpose of determining how much of the individual's lump sum and death benefit allowance is available on the occurrence of any of the relevant benefit crystallisation events mentioned in subsection (1)—

(a) the reference in subsection (3) of that section to the whole of the individual's lump sum and death benefit allowance is to the relevant proportion of that allowance, and

(b) the reference in subsection (4) of that section to so much of the individual's lump sum and death benefit allowance as is left after deducting the previously-used amount is to the relevant proportion of so much of that allowance as is left after deducting that amount.

(4) In subsection (3), "the relevant proportion" means—

$$\frac{A}{B}$$

where—

A is the amount of the lump sum death benefit the payment of which constitutes the relevant benefit crystallisation event in question;

B is the aggregate of the amounts of each lump sum death benefit the payment of which constitutes a relevant benefit crystallisation event mentioned in subsection (1).".

Chapter 1 of Part 11 of ITEPA 2003

4.—(1) In Chapter 1 of Part 11 of ITEPA 2003 (pay as you earn: introduction), section 683 (PAYE income)(**a**) is amended as follows.

(2) In subsection (3)—

(a) in the words before the list, for "(3C)" substitute "(3D)";

(b) in the list, for the entries for sections 636B and 636C substitute—

"section 637B (tax treatment of pension commencement excess lump sums),

section 637G (tax treatment of trivial commutation lump sums and winding-up lump sums),

section 637N (trivial commutation lump sum death benefits).".(**b**)

(3) In subsection (3C)—

(a) for "section 636A(1A) to (1C) or (4ZA)" substitute "Chapter 15A of Part 9 (pension income: lump sums under registered pension schemes)";

(b) for "paragraph 1(3)(da) or (db)" substitute "paragraph 1(3)(e)".

(4) After subsection (3C) insert—

(**a**) Section 683 was amended by paragraph 14 of Schedule 31 to FA 2004, paragraph 60 of Schedule 10 to FA 2005 (c. 7), section 10 of FA (No. 2) 2005 (c. 22), paragraph 60 of Schedule 16 to FA 2011 (c. 11), paragraph 130 of Schedule 45 to FA 2013 (c. 29) and section 22 of FA (No. 2) 2015 (c. 33).

(**b**) Sections 637, 637G and 637N were inserted by paragraph 41 of Schedule 9 to FA 2024.

"(3D) "PAYE pension income" for a tax year does not include any amount to which section 579A applies by virtue of any of the following provisions—

section 637H(2) (certain defined benefits lump sum death benefits),

section 637I(2) (certain pension protection lump sum death benefits),

section 637J(2) (certain uncrystallised funds lump sum death benefits),

section 637K(2) (certain annuity protection lump sum death benefits),

section 637L(2) (certain drawdown pension fund lump sum death benefits),

section 637M(2) (certain flexi-access drawdown lump sum death benefits).".

Sections 239 and 255 of FA 2004

5.—(1) Part 4 of FA 2004 (pension schemes etc)(**a**) is amended as follows.

(2) In section 239 (scheme sanction charge)—

(a) in subsection (3), omit paragraph (b) and the "and" before it;

(b) omit subsection (3A).

(3) In section 255 (assessments under Part 4 of FA 2004), in subsection (1)—

(a) omit the "and" at the end of paragraph (f);

(b) at the end of paragraph (g) insert ", and

(h) the charge to tax under Part 9 of ITEPA 2003 (pension income) on pension income to which section 579A of that Act (pension income under registered pension schemes) applies by virtue of any of any of the following provisions—

(i) section 637H(2) (certain defined benefits lump sum death benefits);

(ii) section 637H(2) (certain defined benefits lump sum death benefits);

(iii) section 637I(2) (certain pension protection lump sum death benefits);

(iv) section 637J(2) (certain uncrystallised funds lump sum death benefits);

(v) section 637K(2) (certain annuity protection lump sum death benefits);

(vi) section 637L(2) (certain drawdown pension fund lump sum death benefits).".

Schedule 29 to FA 2004

6.—(1) Schedule 29 to FA 2004 (authorised lump sums - supplementary)(**b**) is amended as follows.

(2) In paragraph 2 (pension commencement lump sum: definition of "the permitted maximum"), in sub-paragraphs (b) and (c), for "individual" substitute "member".

(3) In paragraph 4A (uncrystallised funds pension lump sum), in sub-paragraph (8)(b), for "paragraph 12(3H)" substitute "paragraph 12A(2)(b)".

(4) In paragraph 14 (pension protection lump sum death benefit), in sub-paragraph (3)—

(a) in the formula, for "AC" substitute "(B x C)";

(**a**) 2004 c. 12. Subsection (3) of section 239 was amended by paragraph 12 of Schedule 5 to FA 2014 (c. 26). Subsection (1) of section 255 was amended by paragraph 19 of Schedule 17 to FA 2011, paragraph 17 of Schedule 7 to FA 2014 (c. 26), paragraph 16 of Schedule 4 to FA 2017 (c. 10) and paragraph 7 of Schedule 9 to FA 2024. Section 38 of FA 2024 provides that a reference to "FA" followed by a year is to a Finance Act of that year; and that a reference to "F(No. 2)A" followed by a year is to Finance (No. 2) Act of that year.

(**b**) Paragraph 2 of Schedule 29 was substituted by paragraph 26 of Schedule 9 to FA 2024. Paragraph 4A was inserted by paragraph 57 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30). It was amended by paragraph 21 of Schedule 5 to FA 2021 (c. 26), paragraphs 28 and 63 of Schedule 9 to FA 2024 and by S.I. 2024/356. Paragraph 14 of Schedule 29 was amended by paragraph 34 of Schedule 16 to FA 2011 (c. 11). Paragraph 16 of Schedule 29 was amended by paragraph 36 of Schedule 16 to FA 2011.

(b) for the definition of AC substitute—

"B and C have the same meaning as they have for the purposes of paragraph 2C(2);".

(5) In paragraph 16 (annuity protection lump sum death benefit), in sub-paragraph (3), for the definition of AC substitute—

"AC is—

(a) where the lump sum is paid in respect of a scheme pension, the scheme pension purchase price, as determined under paragraph 2D(3) and (4);

(b) where the lump sum is paid in respect of a lifetime annuity, the annuity purchase price, as determined under paragraph 2B(3) and (4);".

Schedule 32 to FA 2004

7. In Schedule 32 to FA 2004 (registered pension schemes: benefit crystallisation events) omit paragraph 2 (post-75 events not generally benefit crystallisation events) and the italic heading before it.

Schedule 36 to FA 2004

8.—(1) Schedule 36 to FA 2004 (pension schemes etc: transitional provision and savings)(**a**) is amended as follows.

(2) Omit paragraph 6A (enhancement of lump sum allowance and lump sum and death benefit allowance) and the italic heading before it.

(3) In paragraph 7 (primary protection)—

(a) for sub-paragraphs (2) and (3) substitute—

"(2) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if—

(a) the amount specified in section 637P of that Act (individual's lump sum allowance) were £375,000, and

(b) the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were the individual's enhanced lump sum and death benefit allowance (as determined under paragraph 20H of this Schedule).

(3) For the purposes of paragraph 20H—

(a) the individual's "protected lump sum and death benefit allowance" is £1,800,000;

(b) a lump sum and death benefit allowance enhancement factor, determined in accordance with sub-paragraphs (4) to (7) of this paragraph, operates in relation to the individual.";

(b) in sub-paragraph (6), after "pre-commencement" insert "pension";

(c) in sub-paragraph (8)(b) omit "immediately before the lump sum is paid,".

(**a**) Paragraph 6A was inserted by paragraph 67 of Schedule 9 to FA 2024. Paragraph 7 was substituted by paragraph 68 of Schedule 9 to FA 2024. Paragraph 12 was amended by paragraph 53 of Schedule 10 to FA 2005 (c. 7), paragraph 17 of Schedule 20 to FA 2007 (c. 11), paragraph 432 of Schedule 1 to the Corporation Tax Act 2010 (c. 4), paragraph 59 of Schedule 26 to the Equality Act 2010 (c. 15) and section 23(2) of FA (No. 2) Act 2023 (c. 30). Sub-paragraphs (3A) to (3H) of paragraph 12 were substituted by paragraph 71 of Schedule 9 to FA 2024. Paragraph 18 was substituted by paragraph 75 of Schedule 9 to FA 2024. Paragraph 19 was amended by paragraph 76 of Schedule 9 to FA 2024. Paragraphs 20A to 20G were inserted by paragraph 78 of Schedule 9 to FA 2024. Paragraph 24 was amended by paragraph 81 of Schedule 9 to FA 2024. Paragraph 27 was substituted by paragraph 82 of Schedule 9 to FA 2024. Paragraph 28 was amended by paragraph 83 of Schedule 9 to FA 2024.

(4) In paragraph 12 (enhanced protection)—

(a) for sub-paragraph (3A) substitute—

"(3A) Where this paragraph applies in the case of an individual—

(a) this Part of this Act, and

(b) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes),

have effect in relation to the individual with the modifications specified in paragraph 12A.";

(b) omit sub-paragraphs (3B) to (3H).

(5) After paragraph 12 insert—

"12A (1) The following provisions of this paragraph specify the modifications of this Part of this Act, and of Chapter 15A of Part 9 of ITEPA 2003, that apply in accordance with paragraph 12(3A) (modifications applying in relation to individual with enhanced protection).

(2) Schedule 29 (authorised lump sums) has effect as if—

(a) in paragraph 2 (pension commencement lump sums: definition of "permitted maximum")—

(i) the existing text became sub-paragraph (1);

(ii) in that sub-paragraph, paragraph (c) were omitted;

(iii) after that sub-paragraph there were inserted—

"(2) In the case of an individual who has previously become entitled to a serious ill-health lump sum under the arrangement under which the entitlement to the lump sum arises—

(a) sub-paragraph (1) does not apply, and

(b) in paragraph 1 "the permitted maximum", in relation to a lump sum, is nil."";

(b) in paragraph 4A (uncrystallised funds pension lump sum), after sub-paragraph (1) there were inserted—

"(1A) But a lump sum is not an uncrystallised funds pension lump sum if the lump sum condition (see paragraphs 24(2) and (3), 25 and 26 of Schedule 36) is met in relation to the member."

(3) Chapter 15A of Part 9 of ITEPA 2003 has effect as if—

(a) in section 637C (serious ill-health lump sums), in subsection (3), for the words from "so much of" to the end there were substituted "the maximum amount of a serious ill-health lump sum that could have been paid to the member on 5th April 2024 under the arrangement under which the entitlement to the lump sum arises";

(b) in section 637D (uncrystallised funds pension lump sums)—

(i) in subsection (3), for paragraph (b) there were substituted—

"(b) the maximum amount of an uncrystallised funds pension lump sum that could have been paid to the member with no liability to income tax on 5th April 2024 under the arrangement under which the entitlement to the lump sum arises.";

(ii) after that subsection there were inserted—

"(4) In the case of an individual who has previously become entitled to a serious ill-health lump sum under the arrangement under which the entitlement to the lump sum arises—

(a) subsection (3) does not apply, and

(b) in subsection (2) "the permitted maximum", in relation to an uncrystallised funds pension lump sum paid to a member, is nil."";

(c) in section 637H (defined benefits lump sum death benefits), in subsection (7), for the definition of "the permitted maximum" there were substituted—

""the permitted maximum", in relation to a defined benefits lump sum death benefit paid in respect of a member, means—

(a) the maximum amount of a defined benefits lump sum death benefit that could have been paid in respect of the member on 5th April 2024 under the arrangement under which the lump sum is paid, less

(b) the aggregate of each non-taxable amount (if any) in relation to each relevant lump sum death benefit (if any) previously paid in respect of the member in the post-5th April 2024 period under that arrangement,

or, if that produces a negative result, nil.";

(d) in section 637I (pension protection lump sum death benefits), in subsection (5), for the definition of "the permitted maximum" there were substituted—

""the permitted maximum", in relation to a pension protection lump sum death benefit paid in respect of a member, means—

(a) the maximum amount of a pension protection lump sum death benefit that could have been paid in respect of the member on 5th April 2024 under the arrangement under which the lump sum is paid, less

(b) the aggregate of each non-taxable amount (if any) in relation to each relevant lump sum death benefit (if any) previously paid in respect of the member in the post-5th April 2024 period under that arrangement,

or, if that produces a negative result, nil.";

(e) in section 637J (uncrystallised funds lump sum death benefits), in subsection (7), for the definition of "the permitted maximum" there were substituted—

""the permitted maximum", in relation to an uncrystallised funds lump sum death benefit paid in respect of a member, means—

(a) the maximum amount of an uncrystallised funds lump sum death benefit that could have been paid in respect of the member on 5th April 2024 under the arrangement under which the lump sum is paid, less

(b) the aggregate of each non-taxable amount (if any) in relation to each relevant lump sum death benefit (if

any) previously paid in respect of the member in the post-5th April 2024 period under that arrangement,

or, if that produces a negative result, nil.";

(f) in section 637K (annuity protection lump sum death benefits), in subsection (5), for the definition of "the permitted maximum" there were substituted—

""the permitted maximum", in relation to an annuity protection lump sum death benefit paid in respect of a member, means—

(a) the maximum amount of an annuity protection lump sum death benefit that could have been paid in respect of the member on 5th April 2024 under the arrangement under which the lump sum is paid, less

(b) the aggregate of each non-taxable amount (if any) in relation to each relevant lump sum death benefit (if any) previously paid in respect of the member in the post-5th April 2024 period under that arrangement,

or, if that produces a negative result, nil.";

(g) in section 637L (drawdown pension fund lump sum death benefits), in subsection (8), for the definition of "the permitted maximum" there were substituted—

""the permitted maximum", in relation to a drawdown pension fund lump sum death benefit paid in respect of a member, means—

(a) the maximum amount of a drawdown pension fund lump sum death benefit that could have been paid in respect of the member on 5th April 2024 under the arrangement under which the lump sum is paid, less

(b) the aggregate of each non-taxable amount (if any) in relation to each relevant lump sum death benefit (if any) previously paid in respect of the member in the post-5th April 2024 period under that arrangement,

or, if that produces a negative result, nil.";

(h) in section 637M (flexi-access drawdown lump sum death benefits), in subsection (8), for the definition of "the permitted maximum" there were substituted—

""the permitted maximum", in relation to a flexi-access drawdown lump sum death benefit paid in respect of a member, means—

(a) the maximum amount of a flexi-access drawdown lump sum death benefit that could have been paid in respect of the member on 5th April 2024 under the arrangement under which the lump sum is paid, less

(b) the aggregate of each non-taxable amount (if any) in relation to each relevant lump sum death benefit (if any) previously paid in respect of the member in the post-5th April 2024 period under that arrangement,

or, if that produces a negative result, nil.";

(i) in section 637P (individual's lump sum allowance), for "£268,275" there were substituted "£375,000";

(j) in section 637R (individual's lump sum and death benefit allowance)—

(i) the existing text became subsection (1);

(ii) in that subsection, for "£1,073,100" there were substituted "an amount equal to the value of the individual's uncrystallised rights on 5 April 2024";

(iii) after that subsection there were inserted—

"(2) In this section "uncrystallised rights" has the same meaning as in section 212 of FA 2004; and the value for the purposes of this section of any uncrystallised rights is to be calculated in accordance with that section.";

(k) after section 637T (section 637S: multiple lump sum death benefits paid) there were inserted—

"637U Interpretation of Chapter

(1) A reference in this Chapter to the maximum amount of a lump sum that "could have been paid" on 5th April 2024, in the case of—

(a) a serious ill-health lump sum paid under a defined benefits arrangement, or

(b) a lump sum death benefit of any description paid under such an arrangement,

is a reference to an amount equal to the appropriate limit in relation to becoming entitled to a lump sum of that description on that date, determined under paragraph 15(4) of Schedule 36 to FA 2004.

(2) For the purposes of this Chapter, the maximum amount of a lump sum of any description that "could have been paid" on 5th April 2024 is to be determined on the assumption that any condition required to be met before such a payment could be made was met.

(3) In the definitions of "the permitted maximum" in sections 637H, 637I, 637J, 637K, 637L and 637M, and in this section—

(a) "relevant lump sum death benefit" has the meaning given by section 637S(2)(c);

(b) "non-taxable amount", in relation to the payment of a relevant lump sum death benefit, has the meaning given by section 637S(6);

(c) "the post-5th April 2024 period", in relation to a lump sum, means the period beginning with 6 April 2024 and ending with the date on which the lump sum is paid.

(4) Subsections (5) and (6) apply where—

(a) it is necessary to determine for the purposes of any provision of this Chapter "the permitted maximum" in relation to a lump sum of any description paid after 5th April 2024 under an arrangement ("the paying arrangement") under a registered pension scheme, and

(b) as a result of one or more recognised transfers made in the post-5th April 2024 period, any of the sums and

assets applied for the provision of the lump sum were, at any time before the payment of the lump sum, held for the purposes of another arrangement ("a predecessor arrangement") under a different registered pension scheme.

(5) A reference to the maximum amount of a lump sum of any description that could have been paid on 5th April 2024 under the paying arrangement, so far as the lump sum paid is referable to sums and assets that were held on that date for the purposes of a predecessor arrangement, is a reference to the maximum amount of a lump sum of that description that could have been paid on that date under that predecessor arrangement, had those sums and assets (and only those sums and assets) been applied for the provision of the lump sum.

(6) A reference to a relevant benefit crystallisation event occurring under the paying arrangement before the date on which the lump sum is paid includes a reference to a relevant benefit crystallisation event occurring under a predecessor arrangement, so far as the relevant benefit crystallisation event is referable to sums and assets applied for the provision of the lump sum.

(7) In this section a reference to a lump sum includes a lump sum death benefit.".".

(6) In paragraph 18 (pre-commencement pension credits)—

(a) for sub-paragraphs (2) and (3) substitute—

"(2) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if—

(a) the amount specified in section 637P of that Act (individual's lump sum allowance) were the lower of—

(i) an amount equal to £268,275 increased by the pre-commencement pension credit factor determined under sub-paragraph (5), and

(ii) £375,000, and

(b) the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were the individual's enhanced lump sum and death benefit allowance (as determined under paragraph 20H of this Schedule).

(3) For the purposes of paragraph 20H a lump sum and death benefit allowance enhancement factor, determined in accordance with sub-paragraphs (4) to (6) of this paragraph, operates in relation to the individual.";

(b) in sub-paragraph (7) omit ", immediately before the lump sum is paid,".

(7) In paragraph 19 (individuals permitted to take pension before normal minimum pension age)—

(a) in sub-paragraph (1B), for "£268,275" substitute "the amount determined under sub-paragraph (1C)";

(b) after that sub-paragraph insert—

"(1C) That amount is the amount —

(a) £268,275, or

(b) in a case where, disregarding sub-paragraph (1B), section 637P of ITEPA 2003 (individual's lump sum allowance) would apply in relation to the individual as if it specified another amount, that amount.””;

(c) in sub-paragraph (2), for "Where the event is a relevant benefit crystallisation event, section" substitute "Section".

(8) In paragraph 20 (pre-commencement pensions)—

(a) in sub-paragraph (1)—

(i) in the words before paragraph (a), for "who, on 5th April 2006—" substitute "where—";

(ii) in paragraph (a), at the beginning, insert "on 5th April 2006, the individual";

(b) in sub-paragraph (1A), in paragraph (b), for "amount of the lump sum to which the relevant benefit crystallisation event relates" substitute "non-taxable amount in relation to the relevant crystallisation event";

(c) in sub-paragraph (2), in paragraph (b), for "amount of the lump sum or lump sum death benefit to which the relevant benefit crystallisation event relates" substitute "non-taxable amount in relation to the relevant crystallisation event".

(9) In paragraph 20A (pension credits from previously crystallised rights)—

(a) in sub-paragraph (1), in the words before paragraph (a) omit "in relation to a relevant benefit crystallisation event occurring";

(b) for sub-paragraph (3) substitute—

"(3) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were the individual's enhanced lump sum and death benefit allowance (as determined under paragraph 20H of this Schedule).

(3A) For the purposes of paragraph 20H, a lump sum and death benefit allowance enhancement factor, determined in accordance with sub-paragraphs (4) to (6) of this paragraph, operates in relation to the individual.";

(c) in sub-paragraph (8) omit ", immediately before the lump sum is paid,".

(10) In paragraph 20B (non-residence: general)—

(a) in sub-paragraph (1), in the words before paragraph (a) omit "in relation to a relevant benefit crystallisation event occurring";

(b) for sub-paragraph (2) substitute—

"(2) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were the individual's enhanced lump sum and death benefit allowance (as determined under paragraph 20H of this Schedule).

(2A) For the purposes of paragraph 20H, a lump sum and death benefit allowance enhancement factor, determined in accordance with paragraphs 20C and 20D, operates in relation to the individual.";

(c) omit sub-paragraphs (3) and (4);

(d) in sub-paragraph (8) omit ", immediately before the lump sum is paid,".

(11) In paragraph 20C (non-residence: money purchase arrangements)—

(a) in the heading, for "money purchase arrangements" substitute "determination of lump sum and death benefit allowance enhancement factor (money purchase arrangements)";

(b) for sub-paragraph (1) substitute—

"(1) This paragraph contains provision for determining the lump sum and death benefit allowance enhancement factor mentioned in paragraph 20B(2A) in the case of an arrangement that is a money purchase arrangement.".

(12) In paragraph 20D (non-residence: other arrangements)—

(a) in the heading, for "other arrangements" substitute "determination of lump sum and death benefit allowance enhancement factor (other arrangements)";

(b) for sub-paragraph (1) substitute—

"(1) This paragraph contains provision for determining the lump sum and death benefit allowance enhancement factor mentioned in paragraph 20B(2A) in the case of an arrangement that is not a money purchase arrangement.".

(13) In paragraph 20E (transfers from recognised overseas pension scheme: general)—

(a) in sub-paragraph (1), in the words before paragraph (a) omit "in relation to a relevant benefit crystallisation event occurring";

(b) for sub-paragraph (4) substitute—

"(4) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were the individual's enhanced lump sum and death benefit allowance (as determined under paragraph 20H of this Schedule).

(4A) For the purposes of paragraph 20H, a lump sum and death benefit allowance enhancement factor, determined in accordance with sub-paragraphs (5) and (6) of this paragraph, operates in relation to the individual.";

(c) in sub-paragraph (9) omit ", immediately before the lump sum is paid,";

(d) in sub-paragraph (10), in paragraph (a) of the definition of A omit "(see paragraph 6A(4))".

(14) In paragraph 20F (overseas transfer schemes: money purchase arrangements)—

(a) in the heading, for "money purchase arrangements" substitute "determination of relevant relievable amount (money purchase arrangements)";

(b) for sub-paragraph (1) substitute—

"(1) This paragraph contains provision for determining the relevant relievable amount mentioned in the definition of B in paragraph 20E(6) in the case of a recognised overseas scheme arrangement that was a money purchase arrangement.".

(15) In paragraph 20G (overseas transfer schemes: other arrangements)—

(a) in the heading, for "other arrangements" substitute "determination of relevant relievable amount (other arrangements)";

(b) for sub-paragraph (1) substitute—

"(1) This paragraph contains provision for determining the relevant relievable amount mentioned in the definition of B in paragraph 20E(6) in the case of a recognised overseas scheme arrangement that was not a money purchase arrangement.".

(16) After paragraph 20G insert—

"Individual's enhanced lump sum and death benefit allowance

20H (1) This paragraph applies for determining the amount of the "enhanced lump sum and death benefit allowance" of an individual in relation to whom one or more lump sum and death benefit allowance enhancement factors operate.

(2) The individual's "enhanced lump sum and death benefit allowance" is—

$$A + (A \times B)$$

where—

A is—

(a) in the case of an individual in relation to whom a relevant protection provision applies, the individual's protected lump sum and death benefit allowance (as defined in that provision);

(b) in any other case, £1,073,100;

B is the aggregate of the lump sum and death benefit allowance enhancement factors that operate in relation to the individual.

(3) The following provisions are "relevant protection provisions"—

(a) paragraph 7 of this Schedule (primary protection)(**a**);

(b) paragraph 14 of Schedule 18 to FA 2011 (fixed protection)(**b**);

(c) paragraph 1 of Schedule 22 to FA 2013 ("fixed protection 2014")(**c**);

(d) paragraph 1 of Schedule 6 to FA 2014 ("individual protection 2014")(**d**);

(e) paragraph 1 of Schedule 4 to FA 2016 ("fixed protection 2016")(**e**);

(f) paragraph 9 of that Schedule ("individual protection 2016").

(4) The following paragraphs of this Schedule make provision for the operation of a lump sum and death benefit allowance enhancement factor in relation to an individual—

(a) paragraph 7 (primary protection),

(b) paragraph 18 (pre-commencement pension credits),

(c) paragraph 20A (pension credits from previously crystallised rights),

(d) paragraph 20B (non-residence: general), and

(e) paragraph 20E (transfers from recognised overseas pension scheme: general).".

(17) In paragraph 24 (lump sum rights exceeding £375,000: primary and enhanced protection), in sub-paragraph (1) omit paragraph (b) and the "and" before it.

(18) For paragraph 27 (pre-commencement benefit rights: enhanced protection: permitted maximum) substitute—

"27 (1) If (and for so long as) paragraph 12 (enhanced protection) applies in relation to the individual, Schedule 29 to FA 2004 (authorised lump sums - supplementary) has effect in relation to the individual as if—

(**a**) Paragraph 7 of Schedule 36 was substituted by paragraph 68 of Schedule 9 to FA 2024.

(**b**) 2011 c. 11. Paragraph 14 of Schedule 18 was amended by section 47(2) of FA 2013 (c. 29), section 23(5) of FA (No. 2) 2023 (c. 30), paragraph 90 of Schedule 9 to FA 2024 and by S.I. 2013/1740.

(**c**) 2013 c. 29. Paragraph 1 of Schedule 22 was amended by section 23(6) of FA (No. 2) Act 2023 (c. 30). The existing paragraph 1 was substituted by paragraph 91 of Schedule 9 to FA 2024.

(**d**) 2014 c. 26. Paragraph 1 of Schedule 6 was substituted by paragraph 92 of Schedule 9 to FA 2024.

(**e**) 2016 c. 24. Paragraph 1 of Schedule 4 was substituted by paragraph 93 of Schedule 9 to FA 2024. Paragraph 9 of that Schedule was amended by paragraph 93 of Schedule 9 to FA 2024

(a) in paragraph 1(1)(b) (pension commencement lump sum), the words "all or part of the member's lump sum allowance is available, and" were omitted;

(b) for paragraph 2 (pension commencement lump sum: definition of "permitted maximum") there were substituted—

"2 (1) In paragraph 1 "the permitted maximum", in relation to a lump sum, means the lower of—

(a) the applicable amount in relation to the relevant pension (see paragraphs 2A to 2D), and

(b) the amount specified in sub-paragraph (2).

(2) That amount is—

(a) the maximum amount of a pension commencement lump sum that could have been paid to the member on 5th April 2023 under the arrangement under which the entitlement to the lump sum arises, less

(b) the aggregate of each pension commencement lump sum (if any) to which the member has previously become entitled after that date under that arrangement,

or, if that produces a negative amount, nil.

(3) For the purposes of this paragraph, the maximum amount of a pension commencement lump sum that "could have been paid" on 5th April 2023 is to be determined on the assumption that any condition required to be met before such a payment could be made was met.

(4) Sub-paragraphs (5) and (6) apply where—

(a) it is necessary to determine for the purposes of this paragraph "the permitted maximum" in relation to a pension commencement lump sum paid after 5th April 2023 under an arrangement ("the paying arrangement") under a registered pension scheme, and

(b) as a result of one or more recognised transfers made in the post-5th April 2023 period, any of the sums and assets applied for the provision of the lump sum were, at any time before the payment of the lump sum, held for the purposes of another arrangement ("a predecessor arrangement") under a different registered pension scheme.

(5) The reference in sub-paragraph (2)(a) to the maximum amount of a pension commencement lump sum that could have been paid on 5th April 2023 under the paying arrangement, so far as the lump sum paid is referable to sums and assets that were held on that date for the purposes of a predecessor arrangement, is a reference to the maximum amount of a pension commencement lump sum that could have been paid on that date under that predecessor arrangement, had those sums and assets (and

only those sums and assets) been applied for the provision of the lump sum.

(6) A reference in sub-paragraph (2)(b) to a pension commencement lump sum to which the member has become entitled under the paying arrangement before the date on which the lump sum is paid includes a reference to a pension commencement lump sum paid under a predecessor arrangement, so far as it is referable to sums and assets applied for the provision of the pension commencement lump sum paid under the paying arrangement.

(7) In this paragraph "the post-5th April 2023 period", in relation to a lump sum, means the period beginning with 6 April 2023 and ending with the date on which the lump sum is paid.".

(2) If (and for so long as) Schedule 29 applies in relation to the individual subject to the modifications in sub-paragraph (1), paragraph 12A of this Schedule has effect in relation to the individual as if sub-paragraph (2)(a) of that paragraph (which contains modifications of Schedule 29 inconsistent with those in sub-paragraph (1)) were omitted.".

(19) In paragraph 28 (pre-commencement benefit rights: no enhanced protection: permitted maximum), before sub-paragraph (1) insert—

"(A1) If paragraph 12 (enhanced protection) does not apply in relation to the individual, Schedule 29 to FA 2004 (authorised lump sums - supplementary) has effect in relation to the individual as if in paragraph 1(1)(b) (pension commencement lump sum), the words "all or part of the member's lump sum allowance is available, and" were omitted.".

Pensions Act 2004

9. In Schedule 7 to the Pensions Act 2004 (pension compensation provisions), in paragraph 25B (terminal illness lump sum: eligibility)(**a**)—

(a) in sub-paragraph (1) omit paragraph (d);

(b) in sub-paragraph (4) omit the definition of "lifetime allowance".

The Pensions (Northern Ireland) Order 2005

10. In Schedule 6 to the Pensions (Northern Ireland) Order 2005 (pension compensation provisions)(**b**), in paragraph 25B (terminal illness lump sum: eligibility)—

(a) in sub-paragraph (1) omit paragraph (d);

(b) in sub-paragraph (4) omit the definition of "lifetime allowance".

(**a**) 2004 c. 35. Paragraph 25B of Schedule 7 was inserted by paragraph 14 of Schedule 8 to the Pensions Act 2008 (c. 30) and was amended by paragraph 26 of Schedule 4 to the Pensions Act 2011 (c. 19).

(**b**) S.I. 2005/255 (N.I. 1). Paragraph 25B was inserted by paragraph 14 of Schedule 6 to the Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13) (N.I.) and was amended by paragraphs 19 and 26 of Schedule 4 to the Pensions Act (Northern Ireland) 2012 (c. 3) (N.I.).

Pensions Act 2008

11. In Schedule 5 to the Pensions Act 2008 (pension compensation payable on discharge of pension compensation credit), in paragraph 12 (terminal illness lump sum: eligibility)(**a**)—

(a) in sub-paragraph (1) omit paragraph (d);

(b) in sub-paragraph (4) omit the definition of "lifetime allowance".

Pensions (No. 2) Act (Northern Ireland) 2008

12. In Schedule 4 to the Pensions (No. 2) Act (Northern Ireland) 2008 (pension compensation payable on discharge of pension compensation credit), in paragraph 12 (terminal illness lump sum: eligibility)(**b**)—

(a) in sub-paragraph (1) omit paragraph (d);

(b) in sub-paragraph (4) omit the definition of "lifetime allowance".

Schedule 18 to FA 2011

13. In Schedule 18 to FA 2011 (lifetime allowance charge), in paragraph 14 (fixed protection)(**c**), for sub-paragraph (3) substitute—

"(3) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if—

(a) the amount specified in section 637P of that Act (individual's lump sum allowance) were £450,000, and

(b) the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were—

(i) if one or more lump sum and death benefit allowance enhancement factors operate in relation to the individual for the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's enhanced lump sum and death benefit allowance (as determined under that paragraph of that Schedule), and

(ii) otherwise, £1,800,000.

(3A) For the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's "protected lump sum and death benefit allowance" is £1,800,000.".

Schedule 22 to FA 2013

14. In Schedule 22 to FA 2013 (transitional provision relating to reduction in standard lifetime allowance etc), in paragraph 1 ("fixed protection 2014")(**d**), for sub-paragraph (2) substitute—

"(2) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if—

(a) the amount specified in section 637P of that Act (individual's lump sum allowance) were £375,000, and

(**a**) 2008 c. 30. Paragraph 12 of Schedule 5 was amended by paragraph 34 of Schedule 4 to the Pensions Act 2011 (c. 19).
(**b**) 2008 c. 13 (N.I.). Paragraph 12 of Schedule 4 was amended by paragraph 34 of Schedule 4 to the Pensions Act (Northern Ireland) 2012 (c. 3) (N.I.).
(**c**) 2011 c. 11. Paragraph 14 of Schedule 18 was amended by section 47(2) of FA 2013 (c. 29), section 23(5) of FA (No. 2) 2023 (c. 30), paragraph 90 of Schedule 9 to FA 2024 and by S.I. 2013/1740.
(**d**) 2013 c. 29. Paragraph 1 of Schedule 22 was amended by section 23(6) of FA (No. 2) 2023 and paragraph 91 of Schedule 9 to FA 2024.

(b) the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were—

(i) if one or more lump sum and death benefit allowance enhancement factors operate in relation to the individual for the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's enhanced lump sum and death benefit allowance (as determined under that paragraph of that Schedule), and

(ii) otherwise, £1,500,000.

(3) For the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's "protected lump sum and death benefit allowance" is £1,500,000.".

Schedule 6 to FA 2014

15.—(1) In Schedule 6 to FA 2014 (transitional provision relating to new standard lifetime allowance etc), paragraph 1 ("individual protection 2014")(**a**) is amended as follows.

(2) In sub-paragraph (1), for "Sub-paragraph (2) applies" substitute "Sub-paragraphs (2) to (2B) apply".

(3) In for sub-paragraph (2) substitute—

"(2) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if the amount specified in section 637P of that Act (individual's lump sum allowance) were the lower of—

(a) 25% of the individual's relevant amount(**b**), and

(b) £375,000.

(2A) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were the lower of—

(a) if one or more lump sum and death benefit allowance enhancement factors operate in relation to the individual for the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's enhanced lump sum and death benefit allowance (as determined under that paragraph of that Schedule), and

(b) otherwise, the lower of—

(i) the individual's relevant amount, and

(ii) £1,500,000.

(2B) For the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's "protected lump sum and death benefit allowance" is the lower of—

(a) the individual's relevant amount, and

(b) £1,500,000.".

(4) In sub-paragraph (3), for "sub-paragraph (2) does" substitute "sub-paragraphs (2) to (2B) do".

(**a**) 2014 c. 26. Paragraph 1 of Schedule 6 was amended by paragraph 92 of Schedule 9 to FA 2024.

(**b**) "Relevant amount" is defined for the purposes of Part 1 of Schedule 6 by paragraph 1(5) of Schedule 6 to FA 2014.

Schedule 4 to FA 2016

16.—(1) Schedule 4 to FA 2016 (pensions: lump sum allowance and lump sum and death benefit allowance: transitional provision)(**a**) is amended as follows.

(2) In paragraph 1 ("fixed protection 2016"), for sub-paragraph (2) substitute—

"(2) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if—

(a) the amount specified in section 637P of that Act (individual's lump sum allowance) were £312,500, and

(b) the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were—

(i) if one or more lump sum and death benefit allowance enhancement factors operate in relation to the individual for the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's enhanced lump sum and death benefit allowance (as determined under that paragraph of that Schedule), and

(ii) otherwise, £1,250,000.

(3) For the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's "protected lump sum and death benefit allowance" is £1,250,000.".

(3) In paragraph 9 ("individual protection 2016")—

(a) in sub-paragraph (1)—

(i) in the words before paragraph (a), for "Sub-paragraph (2) applies" substitute "Sub-paragraphs (2) to (2B) apply";

(ii) in paragraph (b), for "£1,000,000" substitute "£1,073,100".

(b) for sub-paragraph (2) substitute—

"(2) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if the amount specified in section 637P of that Act (individual's lump sum allowance) were the lower of—

(a) 25% of the individual's relevant amount, and

(b) £312,500.

(2A) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) has effect in relation to the individual as if the amount specified in section 637R of that Act (individual's lump sum and death benefit allowance) were the lower of—

(a) if one or more lump sum and death benefit allowance enhancement factors operate in relation to the individual for the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's enhanced lump sum and death benefit allowance (as determined under that paragraph of that Schedule), and

(b) otherwise, the lower of—

(i) the individual's relevant amount(**b**), and

(**a**) 2016 c. 24. Sub-paragraph (2) of paragraph 1 and sub-paragraph (2) of paragraph 9 of Schedule 4 were substituted by paragraph 93 of Schedule 9 to FA 2024. Sub-paragraph (1) of paragraph 9 of Schedule 4 was amended by paragraph 93 of Schedule 9 to FA 2024.

(**b**) The "individual's relevant amount" is defined for these purposes in paragraph 9(4) of Schedule 4.

(ii) £1,250,000.

(2B) For the purposes of paragraph 20H of Schedule 36 to FA 2004, the individual's "protected lump sum and death benefit allowance" is the lower of—

(a) the individual's relevant amount, and

(b) £1,250,000.".

Schedule 9 to FA 2024

17.—(1) Part 6 of Schedule 9 to FA 2024 (pensions: transitional provision)(**a**) is amended as follows.

(2) In paragraph 126 (availability of individual's lump sum and death benefit allowance)—

(a) in sub-paragraph (4)(a)(ii) for "before that date a person is paid a lump sum death benefit in respect of the individual" substitute "the conditions in sub-paragraph (4A) are met";

(b) after sub-paragraph (4) insert—

"(4A) The conditions mentioned in sub-paragraph (4)(a)(ii) are—

(a) that before 6 April 2024 a person is paid a defined benefits lump sum death benefit, or an uncrystallised funds lump sum death benefit, in respect of the individual,

(b) that the lump sum is paid before the end of the period of two years beginning with the day on which the scheme administrator of the scheme first knew of the individual's death or (if earlier) the day on which the scheme administrator could first reasonably have been expected to have known of it, and

(c) that the person to whom the lump sum is paid is not a non-qualifying person.";

(c) in sub-paragraph (5)—

(i) for "(4)" substitute "(4A)";

(ii) for "on the occurrence of the relevant benefit crystallisation event" substitute "at the relevant time";

(d) after sub-paragraph (6) insert—

"(6A) In sub-paragraph (5) "the relevant time" means—

(a) if the relevant benefit crystallisation event is the individual becoming entitled to a relevant lump sum (within the meaning of section 637S of ITEPA 2003), the time at which the individual becomes so entitled;

(b) if the relevant benefit crystallisation event is a person being paid a relevant lump sum death benefit (within the meaning of section 637S of ITEPA 2003), the 31 October next following the end of the tax year in which the relevant lump sum death benefit is paid.".

(3) In paragraph 127 (transitional tax-free amount certificates)—

(a) in sub-paragraph (1)—

(i) in paragraph (a), for "registered pension scheme" substitute "certification administrator,";

(ii) in paragraph (b), for "scheme administrator of the scheme" substitute "certification administrator";

(**a**) 2024 c. 3. Paragraphs 126, 128, 129, 130 and 132 of Schedule 9 were amended by S.I. 2024/356 and paragraphs 127A and 130A were inserted by that instrument.

(b) in sub-paragraph (2)—

(i) for paragraph (b) substitute—

"(b) may be made to any person who is a certification administrator in relation to the individual;";

(ii) for paragraph (d) substitute—

"(d) may not be made after the individual becomes entitled to a relevant lump sum (within the meaning of section 637S of ITEPA 2003), and

(e) may not be made after the 31 October next following the end of the tax year in which a relevant lump sum death benefit (within the meaning of section 637S of ITEPA 2003) is paid in respect of the individual.";

(c) in sub-paragraph (3)—

(i) for "scheme administrator of a registered pension scheme to which" substitute "certification administrator to whom";

(ii) for "scheme receives the application" substitute "the application is received";

(d) in sub-paragraph (4)—

(i) in paragraph (b), after "standard lifetime allowance" insert "for the tax year 2023/24";

(ii) in paragraphs (c) and (d), for "scheme administrator" substitute "certification administrator";

(e) in sub-paragraph (5)—

(i) for "scheme administrator" substitute "certification administrator";

(ii) for "by the scheme" substitute "by the certification administrator";

(f) in sub-paragraph (6), for "the scheme administrator of a registered pension scheme" substitute "a person who is a certification administrator in relation to the individual".

(4) In paragraph 127A (availability of member's overseas transfer allowance)—

(a) in sub-paragraph (2), after "Where the individual's" insert "adjusted";

(b) in sub-paragraph (3)(b), after "the individual's" insert "adjusted";

(c) after sub-paragraph (3) insert—

"(4) In this paragraph "adjusted lifetime allowance previously-used amount" means—

$$A - B$$

where—

A is the lifetime allowance previously-used amount(**a**);

B is the aggregate of any amounts included in A that are attributable to the occurrence, before 6 April 2024, of benefit crystallisation event 1.".

(5) After paragraph 127A insert—

"Provision of information by individuals to certification administrators

127B (1) Sub-paragraph (2) applies where—

(**a**) Paragraph 129(5) of Schedule 9 defines "lifetime allowance previously-used amount" for these purposes.

(a) a certification administrator issues a transitional tax-free amount certificate, and

(b) there are one or more other certification administrators in relation to the individual to whom the certificate relates.

(2) The relevant person must send a copy of the certificate to each certification administrator within sub-paragraph (1)(b).

(3) Sub-paragraph (2) must be complied with—

(a) before the end of the period of 90 days beginning with the day on which the relevant person receives the certificate, and

(b) before the first day following that on which the relevant person receives the certificate on which a relevant benefit crystallisation event occurs in relation to the individual.

(4) In the case of an obligation under sub-paragraph (2) relating to a pension scheme of which the individual is a member as a result of a block transfer, references in sub-paragraph (3) to the day on which the relevant person receives the certificate are to the later of that day and the day on which the relevant person receives notice of the block transfer.

(5) Sub-paragraph (6) applies where—

(a) a certification administrator cancels a transitional tax-free amount certificate, and

(b) there are one or more other certification administrators in relation to the individual to whom the certificate relates.

(6) The relevant person must send a copy of the notice to each certification administrator within sub-paragraph (5)(b).

(7) Sub-paragraph (6) must be complied with—

(a) before the end of the period of 90 days beginning with the day on which the relevant person receives notice of the cancellation, and

(b) before the first day following that on which the relevant person receives notice of the cancellation on which a relevant benefit crystallisation event occurs in relation to the individual.

(8) In the case of an obligation under sub-paragraph (6) relating to a pension scheme of which the individual is a member as a result of a block transfer, references in sub-paragraph (7) to the day on which the relevant person receives notice of the cancellation are to the later of that day and the day on which the relevant person receives notice of the block transfer.

(9) In this paragraph—

"block transfer": a transfer is "a block transfer" in relation to a member of a pension scheme if it involves the transfer, in a single transaction, of all the sums and assets held for the purposes of, or representing accrued rights under, the arrangements under the scheme which relate to the member and at least one other member of the scheme;

"relevant benefit crystallisation event" has the same meaning as in section 637S of ITEPA 2003 (availability of individual's lump sum and death benefit allowance);

"relevant person", in relation to a transitional tax-free amount certificate, means—

(a) the individual to whom the certificate relates, or

(b) if the individual is deceased, the individual's personal representatives.".

(6) In paragraph 128 (provision of information by scheme administrators to members)—

(a) in subsection (2), after "it is necessary" insert "for a certification administrator";

(b) in sub-paragraphs (3)(a) and (5)(a), for "a transitional tax-free amount certificate is in force in relation to the member" substitute "the certification conditions are met in relation to the determination";

(c) in sub-paragraph (6)(a)(ii), for "before that date a person is paid a lump sum death benefit under the scheme in respect of the individual" substitute "the conditions in sub-paragraph (6A) are met,";

(d) after sub-paragraph (6) insert—

"(6A) The conditions mentioned in sub-paragraph (6)(a)(ii) are—

(a) that before 6 April 2024 a person is paid a defined benefits lump sum death benefit, or an uncrystallised funds lump sum death benefit, under the scheme in respect of the member,

(b) that the lump sum is paid before the end of the period of two years beginning with the day on which the scheme administrator of the scheme first knew of the individual's death or (if earlier) the day on which the scheme administrator could first reasonably have been expected to have known of it, and

(c) that the person to whom the lump sum is paid is not a non-qualifying person.";

(e) after sub-paragraph (6A) insert—

"(6B) In this paragraph "the certification conditions", in relation to a determination mentioned in sub-paragraph (2)(b) or (4)(b), means the following conditions—

(a) that either—

(i) the certification administrator making the determination has issued a transitional tax-free amount certificate to the member, or

(ii) the member has provided that certification administrator with a copy of a transitional tax-free amount certificate issued to the member by another certification administrator, and

(b) that the certification administrator making the determination—

(i) has not cancelled the certificate, and

(ii) has not been notified that the certificate has been cancelled by another certification administrator.".

(7) In paragraph 129 (paragraphs 125 to 128: interpretation)—

(a) in sub-paragraph (2)—

(i) before paragraph (a) insert—

"(za) the individual's lump sum transitional tax-free amount,";

(ii) in paragraph (a), after "(if any)" insert "not comprised in the individual's lump sum transitional tax-free amount";

(iii) at the end of paragraph (a) insert "and";

(iv) omit paragraph (c) and the "and" before it;

(b) after sub-paragraph (4) insert—

"(4A) "Lifetime allowance previously-used amount", in relation to an individual, means (subject to sub-paragraphs (4B) and (4C)) the amount that would have been the previously used amount for the purposes of section 219 of FA 2004 (availability of individual's lifetime allowance) if a benefit crystallisation event (within the meaning of that section) had occurred in relation to the individual immediately before 6 April 2024.

(4B) Sub-paragraph (4C) applies where—

(a) the individual reached the age of 75 before 6 April 2024,

(b) on the individual reaching that age, an amount was, or amounts were, crystallised by one or more of benefit crystallisation events 5, 5A and 5B, and

(c) the individual did not become entitled to a lump sum under a registered pension scheme in the period beginning with the date on which the individual reached the age of 75 and ending with 5th April 2024.

(4C) The amount determined under sub-paragraph (4A) is to be reduced by the amount or (if more than one) the sum of the amounts mentioned in sub-paragraph (4B)(b).";

(c) in sub-paragraph (5)—

(i) for the definition of "lifetime allowance previously-used amount" substitute—

""lifetime allowance previously-used amount" has the meaning given by sub-paragraphs (4A) to (4C);";

(ii) at the appropriate places insert—

""benefit crystallisation event", followed by a number, has the same meaning as in Part 4 of FA 2004 (see section 216 of that Act);

"certification administrator", in relation to an individual, means—

(a) the scheme administrator of a registered pension scheme of which the individual is a member or, if the individual is deceased, of which the individual was a member immediately before death, or

(b) an insurance company to which a registered pension scheme has transferred sums or assets to secure the payment to the individual of a scheme pension or a lifetime annuity;

"defined benefits lump sum death benefit" has the same meaning as in Part 4 of FA 2004;

"drawdown pension fund", in relation to an individual, has the same meaning as in Part 4 of FA 2004 (see Part 1 of Schedule 28 to that Act);

"entitled" (in relation to a lump sum) has the same meaning as in Part 4 of FA 2004;

"insurance company" has the same meaning as in Part 4 of FA 2004;

"member" has the same meaning as in Part 4 of FA 2004;

"non-qualifying person" has the same meaning as in section 206 of FA 2004;

"uncrystallised funds pension lump sum death benefit" has the same meaning as in Part 4 of FA 2004;".

(8) In paragraph 130 (statements for certain members who would not otherwise receive one in the tax year 2024-25), in sub-paragraph (4), after the definition of "benefit crystallisation event" insert—

""member" has the same meaning as in Part 4 of FA 2004;".

(9) For paragraph 130A (lump sums paid on or after 6 April 2024 where entitlement arose before that date) substitute—

"130A (1)The amendments made by or under this Schedule, and the amendments made by section 14, are to be disregarded for the purposes of determining—

(a) the extent (if any) to which a transitional lump sum is a lump sum of a description permitted to be paid by the lump sum rule in section 166(1) of FA 2004, and

(b) the tax treatment under Part 9 of ITEPA 2003 of a transitional lump sum.

(2) In this paragraph "transitional lump sum" means a lump sum to which a member of a registered pension scheme becomes entitled before 6 April 2024 and which is paid on or after that date.

(3) In sub-paragraph (2) "member" has the same meaning as in Part 4 of FA 2004."

(10) For paragraph 131 (lump sum death benefits paid on or after 6 April 2024 that crystallised before that date) substitute—

"131 (1) The amendments made by or under this Schedule, and the amendments made by section 14, are to be disregarded for the purposes of determining the tax treatment under Part 9 of ITEPA 2003 of a transitional lump sum death benefit.

(2) In section 637S (availability of individual's lump sum and death benefit allowance), "relevant lump sum death benefit" does not include a transitional lump sum death benefit.

(3) In this paragraph "transitional lump sum death benefit" means a lump sum death benefit paid on or after 6 April 2024 so far as relating to rights that, before that date, crystallised under section 216 of FA 2004."

(11) In paragraph 132 (modifications of scheme rules)—

(a) in sub-paragraph (2)—

(i) omit "of Part 4 of FA 2004";

(ii) after "by or under this Schedule" insert ", and the amendments made by section 14,";

(b) in sub-paragraph (4), after "In this paragraph" insert ""member",".

PART 3

Amendments of subordinate legislation

The Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations (Northern Ireland) 1997

18. In the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations (Northern Ireland) 1997, in regulation 2 (commutation of a pension under an occupational pension scheme)(**a**), in paragraph (1B)(b)—

(a) after "paragraph (a)," insert "(aa) or";

(b) omit "or (g)".

(**a**) S.R. 1997 No. 153. Paragraph (1B) was inserted into regulation 2 by S.I. 2006/744.

The Pension Protection Fund (Compensation) Regulations 2005

19.—(1) The Pension Protection Fund (Compensation) Regulations 2005(**a**) are amended as follows.

(2) In regulation 1 (citation, commencement and interpretation) in paragraph (2) omit the entry for "standard lifetime allowance".

(3) In regulation 20 (circumstances in which the portion of compensation to be commuted may exceed 25 per cent), in paragraph (2)(c), for "standard lifetime allowance" substitute "lump sum and death benefit allowance (see section 637R of the Income Tax (Earnings and Pensions) Act 2003)".

The Pension Protection Fund (Compensation) Regulations (Northern Ireland) 2005

20.—(1) The Pension Protection Fund (Compensation) Regulations (Northern Ireland) 2005(**b**) are amended as follows.

(2) In regulation 1 (citation, commencement and interpretation), in paragraph (2) omit the entry for "standard lifetime allowance".

(3) In regulation 18 (circumstances in which the portion of compensation to be commuted may exceed 25 per cent) in paragraph (2)(c), for "standard lifetime allowance" substitute "lump sum and death benefit allowance (see section 637R of the Income Tax (Earnings and Pensions) Act 2003)".

The Registered Pension Schemes (Accounting and Assessment) Regulations 2005

21.—(1) The Registered Pension Schemes (Accounting and Assessment) Regulations 2005(**c**) are amended as follows.

(2) In regulation 4 (the making of assessments), in paragraph (1), in Table 2, at the end insert—

"Case 9: a charge to tax arises under Part 9 of ITEPA (pension income)(**d**) on pension income to which section 579A of that Act (pension income under registered pension schemes) applies by virtue of any of the following provisions— (a) section 637H(2) (certain defined benefits lump sum death benefits); (b) section 637I(2) (certain pension protection lump sum death benefits); (c) section 637J(2) (certain uncrystallised funds lump sum death benefits); (d) section 637K(2) (certain annuity protection lump sum death benefits); (e) section 637L(2) (certain drawdown pension fund lump sum death benefits);	The person liable to the charge.".

(**a**) S.I. 2005/670. The definition of "standard lifetime allowance" was inserted by S.I. 2006/580. There are other amending instruments to paragraph (2) of regulation 1 but none is relevant. Regulation 20 was substituted by S.I. 2006/580 and amended by S.I. 2013/627.

(**b**) S.R. 2005 No. 149. The definition of "standard lifetime allowance" was inserted by S.R. 2006 No. 155. There are other amending instruments to paragraph (2) of regulation 1 but none is relevant. Regulation 18 was amended by S.R. 2006 No. 155 and S.R. 2013 No. 95.

(**c**) S.I. 2005/3454. Table 2 in regulation 4, Table 3 in regulation 5, and regulation 8 were amended by S.I. 2014/1928 and 2024/356.

(**d**) "ITEPA" is defined for the purposes of the Registered Pension Schemes (Accounting and Assessment) Regulations 2005 in regulation 2 of those Regulations.

(f) section 637M(2) (certain flexi-access drawdown lump sum death benefits).	

(3) In regulation 5 (interest on tax due under section 254 or assessed under regulation 4), in paragraph (3), in Table 3, at the end insert—

"Tax assessed under case 9.	The due date under regulation 4(2).".

(4) In regulation 8 (modifications and application of TMA)—

(a) in paragraph (1), for "or 7A" substitute ", 7A or 9";

(b) in paragraph (3), in the inserted text, before paragraph (d) insert—

"(ca) is chargeable on a person under Part 9 of ITEPA (pension income) on pension income to which section 579A of that Act (pension income under registered pension schemes) applies by virtue of any of any of the following provisions—

(i) section 637H(2) (certain defined benefits lump sum death benefits);

(ii) section 637H(2) (certain defined benefits lump sum death benefits);

(iii) section 637I(2) (certain pension protection lump sum death benefits);

(iv) section 637J(2) (certain uncrystallised funds lump sum death benefits);

(v) section 637K(2) (certain annuity protection lump sum death benefits);

(vi) section 637L(2) (certain drawdown pension fund lump sum death benefits).".

The Pensions Schemes (Application of UK Provisions to Relevant Non-UK Schemes) Regulations 2006

22.—(1) The Pensions Schemes (Application of UK Provisions to Relevant Non-UK Schemes) Regulations 2006(**a**)are amended as follows.

(2) In regulation 15 (modification of Schedule 29 to FA 2004 (authorised lump sums: definitions etc))—

(a) in paragraph (1A)(a), in the inserted paragraph (ca), after "relevant transfer fund" insert ", or ring-fenced transfer fund,";

(b) in paragraph (1A)(b)—

(i) for "(4)" substitute "(5)";

(ii) the inserted sub-paragraph becomes sub-paragraph (6).

The Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006

23.—(1) In the Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006(**b**), is amended as follows.

(2) In regulation 3 (information — QROPS and former QROPS)—

(**a**) S.I. 2006/207. Regulation 15 was amended by paragraph 62 of Schedule 9 to FA 2024.

(**b**) S.I. 2006/208. Paragraph (2) of regulation 3 was amended by paragraph 22 of Schedule 4 to FA 2017 (c. 10), S.I. 2013/2259, 2024/356. Paragraph (2B) was inserted by paragraph 22 of Schedule 4 to FA 2017.

(a) in paragraph (2), in sub-paragraph (da)(iiia), after "if so," insert "the amount of the member's overseas transfer allowance that was available on the making of the transfer and".

(b) In paragraph (2B), after sub-paragraph (b) insert—

"(ba) the amount of the member's overseas transfer allowance that was available on the making of the transfer,"

The Registered Pension Schemes (Provision of Information) Regulations 2006

24.—(1) The Registered Pension Schemes (Provision of Information) Regulations 2006(**a**)are amended as follows.

(2) In regulation 3 (provision of information by scheme administrator to HMRC)—

(a) in paragraph (1), in the Table, in the entry for event 9 (transfers to QROPS)(**b**), in the second column—

(i) omit the "and" at the end of paragraph (i);

(ii) at the end of paragraph (j) insert "; and";

(iii) after paragraph (j) insert—

"(k) the amount of the member's overseas transfer allowance that is available on the making of the transfer.";

(b) omit paragraph (5).

(3) In regulation 8 (death: provision of information by scheme administrator to personal representatives)—

(a) in paragraph (1), after "paragraphs" insert "(1A),";

(b) after paragraph (1) insert—

"(1A) The information specified in this paragraph is—

(a) the name of the scheme and the name and address of the scheme administrator of the scheme;

(b) each relevant reference number (if any) in relation to the deceased member;

(c) the name, address, date of birth and national insurance number of each individual (if any) to whom a relevant lump sum death benefit in respect of the deceased member has been, or will be, paid under the scheme.

The information is to be provided no later than the last day of the period of 2 months beginning with the day on which a request for it is received from the member's personal representatives.";

(c) in paragraph (2)—

(i) after "The information" insert "specified in this paragraph";

(**a**) S.I. 2006/567. In regulation 3, the entry for event 9 in the second column of the Table was amended by paragraph 24 of Schedule 4 to FA 2017 (c. 10), and by S.I. 2011/301, 2012/884 and 2013/1742. Regulation 8 was amended by paragraph 108 of Schedule 9 to FA 2024 and by S.I. 2008/720 and 2024/356. Regulation 11BA was inserted by S.I. 2012/884 and was amended by paragraph 24 of Schedule 4 to FA 2017, paragraph 113 of Schedule 9 to FA 2024 and by S.I. 2013/1742. Regulation 14ZC was inserted by paragraph 87 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30) and was amended by S.I. 2015/606. Regulation 14A was inserted by S.I. 2011/1797 and was amended by paragraph 88 of Schedule 1 to the Taxation of Pensions Act 2014, S.I. 2016/308, 2017/11, 2018/5 and by 2022/392. Regulation 15 was amended by paragraph 119 of Schedule 9 to FA 2024.

(**b**) "QROPS" (qualifying recognised overseas pension scheme) is defined in section 169(2) of FA 2004. By regulation 2(3) of the Registered Pension Schemes (Provision of Information) Regulations 2006, expressions defined or otherwise explained in section 280 of FA 2004 have the same meaning in those Regulations as they do in Part 4 of FA 2004.

(ii) for "a relevant lump sum death benefit" substitute "each relevant lump sum death benefit paid";

(d) in paragraph (3), in the words before paragraph (a), after "The information" insert "specified in this paragraph".

(4) In regulation 11BA (information provided by members to scheme administrators: recognised transfers), in paragraph (2), after sub-paragraph (ad) insert—

"(ae) a statement of the amount of the member's overseas transfer allowance that is available on the making of the transfer;".

(5) In regulation 14ZC (information provided by scheme administrators on recognised transfers), after paragraph (4) insert—

"(5) Paragraph (6) applies if—

(a) in connection with a member of a registered pension scheme ("the transferring scheme"), there is a recognised transfer from the transferring scheme to another registered pension scheme ("the recipient scheme"), and

(b) paragraph 12 of Schedule 36 (enhanced protection)(**a**) applies in the case of the member.

(6) The scheme administrator of the transferring scheme must provide the scheme administrator of the recipient scheme with a statement stating, for each arrangement under the transferring scheme relating to the member, the amount that would be "the permitted maximum" in relation to each of the following lump sums if a lump sum of that description were paid to or in respect of the member under the arrangement —

a pension commencement lump sum;

a serious ill-health lump sum;

an uncrystallised funds pension lump sum;

a defined benefits lump sum death benefit;

a pension protection lump sum death benefit;

an uncrystallised funds lump sum death benefit;

an annuity protection lump sum death benefit;

a drawdown pension fund lump sum death benefit;

a flexi-access drawdown lump sum death benefit.

(7) In this regulation "the permitted maximum", in relation to a lump sum of any description, means the permitted maximum relating to a lump sum of that description under Chapter 15A of Part 9 of ITEPA 2003, as that Chapter has effect in relation to the member as modified by paragraph 12A of Schedule 36.".

(6) In regulation 14A (annual allowance: annual provision of information by scheme administrator to member)—

(a) in paragraph (9), in condition E, in the words before sub-paragraph (a), for "£4,000" substitute "£10,000";

(b) in paragraph (10), in sub-paragraph (d), for "£4,000" substitute "£10,000".

(7) In regulation 15 (information between scheme administrators on transfer)—

(**a**) Regulation 2(1) of the Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567) provides that in those Regulations, a reference (without more) to a numbered Schedule is a reference to the Schedule in FA 2004 bearing the same number.

(a) in paragraph (2), in the words before sub-paragraph (a), for ", at the date of the statement," substitute "in each of the reportable periods";

(b) after that paragraph insert—

"(3) In paragraph (2) "the reportable periods" means—

(a) the period ending with 5th April 2024, and

(b) the period beginning with 6th April 2024 and ending with the date of the statement.".

The Taxation of Pension Schemes (Transitional Provisions) Order 2006

25.—(1) The Taxation of Pension Schemes (Transitional Provisions) Order 2006(**a**) is amended as follows.

(2) In article 1 (citation and commencement), in paragraph (2), after the entry for "Part 4" insert—

""relevant benefit crystallisation event" has the same meaning as in section 637S of ITEPA 2003 (availability of individual's lump sum and death benefit allowance);".

(3) For article 7 (modification of section 636A ITEPA 2003) substitute—

"Modification of Chapter 15A of ITEPA 2003

7. Chapter 15A of ITEPA 2003 (lump sums under registered pension schemes) has effect as if, after section 637N, there were inserted—

"637NA Life cover lump sums

(1) No liability to income tax arises on a life cover lump sum.".".

(4) In article 10 (modification of section 212), in paragraph (1), for "paragraph 7(3)" substitute "paragraph 7(5)".

(5) In article 11 (modification of paragraph 8 of Schedule 36), in paragraph (1), for "lifetime allowance charge" substitute "enhancement of allowances etc".

(6) In article 12 ("primary protection" and non residents)—

(a) in paragraph (2)—

(i) in Condition A, for "section 221(6) of his intention to rely on that section" substitute "sub-paragraph (1)(b) of paragraph 20B of Schedule 36 of the individual's intention to rely on that paragraph";

(ii) in Condition B, for "section 221(3) had that subsection" substitute "sub-paragraph (5) of paragraph 20B of Schedule 36 had that sub-paragraph";

(b) in paragraph (3)—

(i) in Condition B, for "section 221(6) that he intends to rely on that section" substitute "sub-paragraph (1)(b) of paragraph 20B of Schedule 36 that the individual intends to rely on that paragraph";

(ii) in Condition C, for "section 221(3) had that subsection" substitute "sub-paragraph (5) of paragraph 20B of Schedule 36 had that sub-paragraph".

(**a**) S.I. 2006/572. Article 18 was amended by paragraph 12 of Schedule 5 to FA 2014. Articles 23ZC and 23ZE were inserted by S.I. 2011/732. Articles 23C and 23D were inserted by S.I. 2009/1172. Article 25C was amended by section 42(5) FA 2014 and paragraph 72 of Schedule 1 to the Taxation of Pensions Act 2014. Article 25D was amended by paragraph 34 of Schedule 23 to FA 2006 (c. 25). Articles 25CA and 25CC were inserted by paragraph 95 of Schedule 9 to FA 2024 and were amended by S.I. 2024/356. Article 29A was inserted by S.I. 2006/1962. Articles 40 and 41 were amended by S.I. 2006/1962. Articles 44 and 45 were inserted by S.I. 2011/732.

(7) For article 13 (modification of section 222) substitute—

"Modification of paragraph 20C of Schedule 36

13. Paragraph 20C of Schedule 36 to the 2004 Act (non-residence: money purchase arrangements) has effect as if—

(a) in sub-paragraph (4), for the definition of B there were substituted—

""B" is the value of the individual's rights under the arrangement on 5th April 2006 calculated in accordance with sub-paragraph (5)(b) multiplied by 0.7154.";

(b) for sub-paragraph (5)(b) there were substituted—

"(b) the value of the individual's rights under the arrangement on 5th April 2006 is the amount which would, on the valuation assumptions, be available for the provision of benefits to or in respect of the individual under the arrangement if the individual became entitled to the benefits on 5th April 2006.".

(**a**)".

(8) For article 14 (modification of section 223) substitute—

"Modification of paragraph 20D of Schedule 36

14. Paragraph 20D of Schedule 36 to the 2004 Act (non-residence: other arrangements) has effect as if—

(a) in sub-paragraph (4), in the definitions of D and E, for "at the beginning of that part of that period" there were substituted "on 5th April 2006 increased in accordance with sub-paragraph (4A)";

(b) after sub-paragraph (4) there were inserted—

"(4A) D and E are increased by multiplying the appropriate figure by 0.7154.".".

(9) In article 18 ("enhanced protection" and pension commencement lump sums), for "lifetime allowance" substitute "all or part of lump sum allowance and all or part of lump sum and death benefit allowance".

(10) Omit article 19 (pre-commencement pension and calculation of the "permitted maximum" pension commencement lump sum).

(11) In article 20 (pre-commencement lump sum death benefits)—

(a) in paragraph (2)—

(i) in Condition B, after "benefit crystallisation event" insert "within the meaning of Part 4 of FA 2004 as that Part had effect immediately before 6 April 2024, and no relevant benefit crystallisation event,";

(ii) in Condition C, before "benefit crystallisation event" insert "relevant";

(b) in paragraph (3), for "amount crystallised was" substitute "amount of the lump sum death benefit to which the relevant benefit crystallisation event mentioned in Condition C relates was 25% of".

(12) In article 23ZC (individual becomes entitled to the pensions), for paragraph (2) substitute—

"(2) For section 166(2)(a) (lump sum rule) substitute—

(**a**) Paragraphs 20C and 20D of Schedule 36 were inserted by paragraph 78 of Schedule 9 to FA 2024.

"(a) in the case of a pension commencement lump sum or a pension commencement excess lump sum, immediately before the person becomes entitled to the last of the pensions in connection with which it is paid (or, if the person dies before becoming entitled to the last of the pensions in connection with which it was anticipated it would be paid, immediately before death),".".

(13) In article 23ZE (individual dies after becoming entitled to at least one but not all of the pensions), for paragraph (2) substitute—

"(2) For section 166(2)(a) (lump sum rule) substitute—

"(a) in the case of a pension commencement lump sum or a pension commencement excess lump sum, immediately before the person becomes entitled to any of the pensions in connection with which it was anticipated that it would be paid,".".

(14) In article 23C (modifications of Schedule 29 to FA 2004), in paragraph (4), in inserted paragraph 7A(1)(c), for "lifetime allowance" substitute "lump sum allowance".

(15) In article 23D (modifications of Schedule 36 to FA 2004) omit paragraph (3).

(16) In paragraph (2) of article 25CA (circumstance A: tax treatment of stand-alone lump sums), in the inserted section 637GA of ITEPA 2003, in subsection (3)(b), for "immediately before the individual becomes" substitute "on the individual becoming".

(17) In paragraph (2) of article 25CC (circumstance C: tax treatment of stand-alone lump sums), in the inserted section 637GA of ITEPA 2003, in subsection (3)(b), for "immediately before the individual becomes" substitute "on the individual becoming".

(18) In article 28 (pre-existing entitlement to lump sums and deferment)—

(a) in paragraph (2), in Condition D—

(i) before "benefit crystallisation event" insert "relevant";

(ii) for "6th April 2006" substitute "6th April 2024";

(b) in paragraph (3)(a) omit the inserted sub-paragraph (1AA) of paragraph 1 of Schedule 29 to FA 2004.

(19) In article 29 (member's unsecured pension funds)—

(a) in paragraph (3) omit sub-paragraph (b);

(b) omit paragraph (5).

(20) In article 29A (member's unsecured pension funds - further provision) omit paragraph (3).

(21) In article 33 (serious ill-health lump sums, pension protection lump sum death benefits and annuity protection lump sum death benefits—

(a) in paragraph (3), for ""there has been no previous benefit crystallisation event"" substitute ""the member has not previously become entitled to any pension or lump sum"";

(b) for paragraphs (4) and (5) substitute—

"(4) In paragraph 14(3) of Schedule 29 (pension protection lump sum death benefit)—

(a) in the formula, for "AC" substitute "PCPR";

(b) for the definition of AC substitute—

"PCPR is the value of the individual's pre-commencement pension rights as defined in paragraph 20(3) to (5) of Schedule 36.".

(5) In paragraph 16(3) of Schedule 29 (annuity protection lump sum death benefit)—

(a) in the formula, for "AC" substitute "PCPR";

(b) for the definition AC substitute—

"PCPR is the value of the individual's pre-commencement pension rights as defined in paragraph 20(3) to (5) of Schedule 36.".

(c) in the definition of "AP", for "the member becoming entitled to the pension or annuity" substitute "6th April 2006".".

(22) In article 37 (modification of section 636B of ITEPA 2003)—

(a) in the heading, for "section 636B" substitute "section 637G";

(b) in paragraph (1), for "section 636B" substitute "section 637G";

(c) for paragraph (2) substitute—

"(2) In the heading, at the end insert "etc".";

(d) for paragraph (4) substitute—

"(4) In subsection (4), after "In this section" insert "—

"equivalent pension benefits commutation lump sum" means a lump sum payment arising from the commutation of equivalent pension benefits pursuant to—

(a) regulation 2(1A) of the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997(**a**), or

(b) regulation 2(1A) of the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations (Northern Ireland) 1997(**b**);".".

(23) Omit articles 38 and 39 (which relate to lump sum payments the entitlement to which arose before 6 April 2006 and are therefore no longer of practical utility).

(24) In article 40 (lump sum death benefits - death of a member)—

(a) omit paragraph (2);

(b) at the end insert—

"(6) In this article and article 41—

"the Commissioners" means the Commissioners for His Majesty's Revenue and Customs and, in relation to times before 18th April 2005, includes the Commissioners of Inland Revenue;

"existing scheme" means a scheme which becomes a registered pension scheme by virtue of paragraph 1(1) of Schedule 36 (pension schemes etc.: transitional provisions and savings — deemed registration of existing schemes);

"member" means a member of an existing scheme.".

(25) Omit articles 44 and 45 (normal minimum pension age: modification of section 165 and paragraph 1 of Schedule 29 to FA 2004).

The Pension Protection Fund (Tax) Regulations 2006

26.—(1) The Pension Protection Fund (Tax) Regulations 2006(**c**) are amended as follows.

(**a**) S.I. 1997/785. Paragraph (1A) of regulation 2 was substituted by S.I. 2006/778.
(**b**) S.R. 1997 No. 153. Paragraph (1A) of regulation 2 was substituted by S.R. 2006 No. 141.
(**c**) S.I. 2006/575. Regulation 23A was inserted by, and regulations 42 and 42A were substituted by, S.I. 2013/1117.

(2) Omit regulation 23 (modifications of Part 4 of FA 2004).

(3) In regulation 23A (modifications of section 220 of FA 2004)—

(a) in the words before paragraph (a), for "Section 220 of" substitute "Paragraph 20A of Schedule 36 to";

(b) in paragraph (a), for "subsection (4)" substitute "sub-paragraph (5)";

(c) in paragraph (b), for "subsection (4A)(a)" substitute "sub-paragraph (6)(a)";

(d) in paragraph (c), for "subsection (4A)(b)" substitute "sub-paragraph (6)(b)".

(4) Omit regulation 29 (operation of lifetime allowance enhancement factor).

(5) In regulation 32 (disapplication of paragraphs 35 and 36 of Schedule 36 to FA 2004)—

(a) for "Paragraphs 35 and 36" substitute "Paragraph 36";

(b) omit "winding-up lump sums paid by former approved superannuation funds and";

(c) for "do" substitute "does".

(6) For regulation 42 (application of section 636A of ITEPA 2003) and regulation 42A (application of section 636B of ITEPA 2003) substitute—

"42B.—(1) This regulation modifies Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) in relation to certain lump sums paid by the PPF.

(2) That Chapter has effect as if, after section 637G (trivial commutation lump sums and winding-up lump sums) there were inserted—

"637GA PPF compensation commutation lump sums and PPF pension credit commutation lump sums

(1) Subject to subsection (2), no liability to income tax arises on a PPF compensation commutation lump sum or a PPF pension credit commutation lump sum.

(2) If the amount of the lump sum exceeds the permitted maximum, section 579A (pensions) applies to the excess as it applies to any pension under a registered pension scheme.

(3) In subsection (2) "the permitted maximum", in relation to a PPF compensation commutation lump sum or a PPF pension credit commutation lump sum, means the lower of—

(a) so much of the individual's lump sum allowance as is available on the individual becoming entitled to the lump sum (see section 637Q), and

(b) so much of the individual's lump sum and death benefit allowance as is available on the individual becoming entitled to the lump sum (see section 637S).

637GB PPF terminal illness lump sums

(1) Subject to subsection (2), no liability to income tax arises on a PPF terminal illness lump sum.

(2) If the amount of the lump sum exceeds the permitted maximum, section 579A (pensions) applies to the excess as it applies to any pension under a registered pension scheme.

(3) In subsection (2) "the permitted maximum", in relation to a PPF terminal illness lump sum, means so much of the individual's lump sum and death benefit allowance as is available on the individual becoming entitled to the lump sum (see section 637S).

637GC Miscellaneous PPF lump sums

(1) Subject to subsection (3), an individual to whom a lump sum within subsection (2) is paid is treated as having taxable pension income for the tax year in which the payment is made equal to the amount of the lump sum.

(2) The lump sums are—

(a) a PPF compensation commutation excess lump sum;

(b) a PPF money purchase lump sum;

(c) a PPF money purchase trivial commutation lump sum;

(d) a PPF pension credit commutation excess lump sum.

(3) If, immediately before the lump sum is paid, the member has uncrystallised rights under any one or more arrangements under the PPF, the amount of the taxable pension income is reduced by the tax-free element (if any).

(4) In subsection (3) "the tax free element" means 25% of the value of any uncrystallised rights extinguished by the lump sum.

(5) In this section "uncrystallised rights" has the same meaning as in section 212 of FA 2004; and the value for the purposes of this section of any uncrystallised rights is to be calculated in accordance with that section.".

(3) Section 637Q of ITEPA 2003 (availability of individual's lump sum allowance) has effect as if, in the definition of "relevant lump sum" in subsection (2)(b) of that section—

(a) the "or" at the end of sub-paragraph (i) were omitted;

(b) after sub-paragraph (ii) there were inserted—

"(iii) a PPF compensation commutation lump sum, or

(iv) a PPF pension credit commutation lump sum.".

(4) Section 637S of ITEPA 2003 (availability of individual's lump sum and death benefit allowance) has effect as if, in the definition of "relevant lump sum" in subsection (2)(b) of that section—

(a) the "or" at the end of sub-paragraph (ii) were omitted;

(b) after sub-paragraph (iii) there were inserted—

"(iv) a PPF compensation commutation lump sum,

(v) a PPF pension credit commutation lump sum, or

(vi) a PPF terminal illness lump sum.".

(5) For the purposes of this regulation (including the modifications made by it)—

"PPF compensation commutation excess lump sum" means—

(a) a lump sum paid under paragraph 24 of Schedule 7 to the Pensions Act 2004 (pension compensation provisions: commutation of periodic

compensation)(**a**), where the portion of periodic compensation commuted exceeds 25%, or

(b) a lump sum paid under paragraph 24 of Schedule 6 to the Pensions (Northern Ireland) Order 2005 (pension compensation provisions: commutation of periodic compensation)(**b**), where the portion of periodic compensation commuted exceeds 25%;

"PPF compensation commutation lump sum" means—

(a) a lump sum paid under paragraph 24 of Schedule 7 to the Pensions Act 2004, where the portion of periodic compensation commuted does not exceed 25%, or

(b) a lump sum paid under paragraph 24 of Schedule 6 to the Pensions (Northern Ireland) Order 2005, where the portion of periodic compensation commuted does not exceed 25%;

"PPF money purchase lump sum" means a lump sum paid under—

(a) regulation 9A of the Pension Protection Fund (General and Miscellaneous Amendments) Regulations 2006 (PPF money purchase lump sums)(**c**), or

(b) regulation 9A of the Pension Protection Fund (General and Miscellaneous Amendments) Regulations (Northern Ireland) 2006 (PPF money purchase lump sums)(**d**);

"PPF money purchase trivial commutation lump sum" means a lump sum paid under—

(a) regulation 9 of the Pension Protection Fund (General and Miscellaneous Amendments) Regulations 2006 (trivial commutation), or

(b) regulation 9 of the Pension Protection Fund (General and Miscellaneous Amendments) Regulations (Northern Ireland) 2006 (trivial commutation);

"PPF pension credit commutation excess lump sum" means—

(a) a lump sum paid under paragraph 9 of Schedule 5 to the Pensions Act 2008 (pension compensation payable on discharge of pension compensation credit: commutation of periodic compensation)(**e**), where the portion of periodic compensation commuted exceeds 25%, or

(b) a lump sum paid under paragraph 9 of Schedule 4 to the Pensions (No. 2) Act (Northern Ireland) 2008 (pension compensation payable on discharge of pension compensation credit: commutation of periodic compensation)(**f**), where the portion of periodic compensation commuted exceeds 25%;

"PPF pension credit commutation lump sum" means—

(**a**) 2004 c. 35. Paragraph 24 of Schedule 7 was amended by paragraph 25 of Schedule 4 to the Pensions Act 2011 (c. 19), paragraph 6 of Schedule 20 to the Pensions Act 2014 (c. 19) and by S.I. 2023/1309.

(**b**) S.I. 2005/255 (N.I.). Paragraph 24 was amended by paragraph 25 of Schedule 4 to the Pensions Act (Northern Ireland) 2012 (c. 3) (N.I.), paragraph 4 of Schedule 20 to the Pensions Act (Northern Ireland) 2015 (c. 5) (N.I.) and by S.I. 2023/1312.

(**c**) S.I. 2006/580. Regulation 9A was inserted by S.I. 2013/627 and amended by S.I. 2016/294 and 2017/324.

(**d**) S.R. 2006 No. 155. Regulation 9A was inserted by S.R. 2013 No. 95 and was amended by S.R. 2016 No. 165 and S.R. 2017 No. 59.

(**e**) 2008 c. 30. Paragraphs 9 and 15 of Schedule 5 were amended, respectively, by paragraphs 33 and 34 of Schedule 4 to the Pensions Act 2011 (c. 19).

(**f**) 2008 c. 13 (N.I.). Paragraphs 9 and 15 of Schedule 4 were amended, respectively, by paragraphs 33 and 34 of Schedule 4 to the Pensions Act (Northern Ireland) 2012.

(a) a lump sum paid under paragraph 9 of Schedule 5 to the Pensions Act 2008, where the portion of periodic compensation commuted does not exceed 25%, or

(b) a lump sum paid under paragraph 9 of Schedule 4 to the Pensions (No. 2) Act (Northern Ireland) 2008, where the portion of periodic compensation commuted does not exceed 25%;

"PPF terminal illness lump sum" means a lump sum paid under—

(a) paragraph 25E of Schedule 7 to the Pensions Act 2004 (pension compensation provisions: terminal illness lump sum: effect of successful application)(**a**),

(b) paragraph 25E of Schedule 6 to the Pensions (Northern Ireland) Order 2005 (pension compensation provisions: terminal illness lump sum: effect of successful application)(**b**),

(c) paragraph 15 of Schedule 5 to the Pensions Act 2008 (pension compensation payable on discharge of pension compensation credit: terminal illness lump sum: effect of successful application), or

(d) paragraph 15 of Schedule 4 to the Pensions (No. 2) Act (Northern Ireland) 2008 (pension compensation payable on discharge of pension compensation credit: terminal illness lump sum: effect of successful application).".

The Financial Assistance Scheme (Tax) Regulations 2010

27.—(1) The Financial Assistance Scheme (Tax) Regulations 2010(**c**) are amended as follows.

(2) In regulation 1 (citation, commencement and interpretation), in paragraph (3)—

(a) after the entry for "non-lump sum assistance" insert—

""permitted maximum"—

(a) in relation to a lump sum paid under regulation 17D(**d**), has the same meaning as in section 637GA(2) of ITEPA 2003 (Financial Assistance Scheme: regulation 17D lump sums) as that section has effect in accordance with regulation 4(2) of these Regulations;

(b) in relation to a payment made under regulation 18A(**e**) in the form of a lump sum, has the same meaning as in section 637GB(2) of ITEPA 2003 (Financial Assistance Scheme: regulation 18A lump sums) as that section has effect in accordance with regulation 4(2) of these Regulations;";

(b) omit the "and" at the end of the entry for "qualifying member";

(c) at the end insert ";

"relevant benefit crystallisation event"—

(a) in relation to an individual's lump sum allowance, has the same meaning as in section 637Q of ITEPA 2003 (availability of individual's lump sum allowance);

(**a**) 2004 c. 35. Paragraph 25E of Schedule 7 was inserted by paragraph 14 of Schedule 8 to the Pensions Act 2008 (c. 30) and amended by paragraph 26 of Schedule 4 to the Pensions Act 2011 (c. 19).

(**b**) S.R. & O. (NI) 2005 No. 255. Paragraph 25E of Schedule 6 was inserted by the Pensions (No. 2) Act (Northern Ireland) 2008 and was amended by paragraph 26 of Schedule 4 to the Pensions Act (Northern Ireland) 2012.

(**c**) S.I. 2010/1187.

(**d**) This is a reference to regulation 17D in the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986). Regulation 17D was inserted by S.I. 2010/1149.

(**e**) This is a reference to regulation 18A in S.I. 2005/1986. Regulation 18A was inserted by S.I. 2010/1149.

(b) in relation to an individual's lump sum and death benefit allowance, has the same meaning as in section 637S of ITEPA 2003 (availability of individual's lump sum and death benefit allowance); and

"relevant reference number", in relation to an individual, means a reference number given by or on behalf of the Commissioners for His Majesty's Revenue and Customs in respect of the individual under—

(a) the Registered Pension Schemes (Enhanced Allowances) Regulations 2006(**a**) (where the member relies on any provision of Schedule 36 to FA 2004);

(b) the Registered Pension Schemes (Enhanced Allowances Transitional Protection) Regulations 2011(**b**) (where the member relies on fixed protection under Schedule 18 to FA 2011);

(c) the Registered Pension Schemes and Relieved Non-UK Pension Schemes (Enhanced Allowances Transitional Protection) (Notification) Regulations 2013(**c**) (where the member relies on fixed protection 2014 under Schedule 22 to FA 2013);

(d) the Registered Pension Schemes and Relieved Non-UK Pension Schemes (Enhanced Allowances Transitional Protection) (Individual Protection 2014 Notification) Regulations 2014(**d**) (where the member relies on individual protection 2014 under Schedule 6 to FA 2014);

(e) paragraph 14 of Schedule 4 to FA 2016(**e**) (where the member relies on fixed or individual protection 2016 under that Schedule).".

(3) For regulation 4 (lump sum payments by the Financial Assistance Scheme) substitute—

"Lump sum payments by the Financial Assistance Scheme

4.—(1) This regulation modifies Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes) in relation to certain lump sums paid by the FAS.

(2) That Chapter has effect as if, after section 637G (trivial commutation lump sums and winding-up lump sums) there were inserted—

"637GA Financial Assistance Scheme: regulation 17D lump sums

(1) Subject to subsection (2), no liability to income tax arises on a lump sum paid to an individual under regulation 17D of the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986) ("a regulation 17D lump sum").

(2) If the amount of the regulation 17D lump sum exceeds the permitted maximum, section 579A (pensions) applies to the excess as it applies to any pension under a registered pension scheme.

(3) In subsection (2) "the permitted maximum", in relation to a regulation 17D lump sum, means the lower of—

(a) so much of the individual's lump sum allowance as is available on the individual becoming entitled to the lump sum (see section 637Q), and

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(**a**) S.I. 2006/131.
(**b**) S.I. 2011/1752.
(**c**) S.I. 2013/1741.
(**d**) S.I. 2014/1842.
(**e**) 2016 c. 24. Paragraph 14 of Schedule 4 was amended by paragraph 93 of Schedule 9 to FA 2024.

(b) so much of the individual's lump sum and death benefit allowance as is available on the individual becoming entitled to the lump sum (see section 637S).

637GB Financial Assistance Scheme: regulation 18A lump sums

(1) Subject to subsection (2), no liability to income tax arises on a payment made in respect of an individual under regulation 18A of the Financial Assistance Scheme Regulations 2005 in the form of a lump sum ("a regulation 18A lump sum").

(2) If the amount of the regulation 18A lump sum exceeds the permitted maximum, section 579A (pensions) applies to the excess as it applies to any pension under a registered pension scheme.

(3) In subsection (2) "the permitted maximum", in relation to a regulation 18A lump sum, means so much of the individual's lump sum and death benefit allowance as is available on the individual becoming entitled to the lump sum (see section 637S).".

(3) Section 637Q of ITEPA 2003 (availability of individual's lump sum allowance) has effect as if, in the definition of "relevant lump sum" in subsection (2)(b) of that section, there were included a reference to a lump sum paid to the individual under regulation 17D.

(4) Section 637S of ITEPA 2003 (availability of individual's lump sum and death benefit allowance) has effect as if, in the definition of "relevant lump sum" in subsection (2)(b) of that section, there were included—

(a) a reference to a lump sum paid to the individual under regulation 17D; and

(b) a reference to a payment made in respect of the individual under regulation 18A in the form of a lump sum.".

(4) In Part 3, for the heading substitute "Lump sum allowance and lump sum and death benefit allowance".

(5) Regulation 5 (application of relevant lifetime allowance provisions) is amended in accordance with paragraphs (6) to (9).

(6) In the heading omit "lifetime".

(7) In paragraph (1) omit "lifetime".

(8) In paragraph (2), in the words before sub-paragraph (a) omit "lifetime".

(9) In paragraph (3)—

(a) in the words before sub-paragraph (a)—

(i) for "6" substitute "7";

(ii) omit "lifetime";

(b) before sub-paragraph (a) insert—

"(za) Chapter 15A of Part 9 of ITEPA 2003 (pension income: lump sums under registered pension schemes);";

(c) in sub-paragraph (a)—

(i) for "sections 214 to 226 and" substitute "section";

(ii) omit "lifetime allowance charge and";

(d) in sub-paragraph (b), for "(lifetime allowance charge transitional provisions);" substitute "(transitional provision and saving: pre-commencement rights: enhancement of allowances etc); and";

(e) omit sub-paragraph (c) and the "and" at the end;

(f) in sub-paragraph (d) omit "lifetime";

(g) in paragraph (4) omit "lifetime" in both places.

(10) Omit regulation 6 (amount of charge).

(11) In regulation 7 (benefit crystallisation events and amounts crystallised)—

(a) for the heading substitute "Entitlement to assistance from the FAS";

(b) omit paragraph (1) (including the table);

(c) omit paragraphs (3) to (7).

(12) Omit regulation 8 (persons liable to charge) and regulation 9 (availability of individual's lifetime allowance).

(13) In regulation 11 (information and penalties)—

(a) in paragraph (1) omit "Subject to regulation 12(2) of these Regulations,";

(b) in paragraph (2) omit "lifetime" in both places;

(c) in paragraph (3), for "14" substitute "13A".

(14) For regulation 12 (percentage of standard lifetime allowance expended on the happening of a benefit crystallisation event) substitute—

"Relevant benefit crystallisation events: amount of qualifying member's allowances expended

12.—(1) The amount of a qualifying member's(**a**) lump sum allowance or lump sum and death benefit allowance expended on the happening of a relevant benefit crystallisation event for the purposes of these Regulations is the non-taxable amount in relation to the lump sum to which the member becomes entitled, or (as the case may be) the lump sum death benefit which a person is paid in respect of the member.

(2) In this regulation "non-taxable amount"—

(a) in relation to a qualifying member's lump sum allowance, has the meaning given by section 637Q(6) of ITEPA 2003;

(b) in relation to a qualifying member's lump sum death benefit allowance, has the meaning given by section 637S(6) of ITEPA 2003.".

(15) In regulation 13 (information provided by qualifying members to the FAS scheme manager about enhanced lifetime allowance)—

(a) in the heading, for "lifetime allowance" substitute "allowances";

(b) in the text omit "lifetime"; and for "Lifetime Allowance" substitute "Allowances".

(16) After regulation 13 insert—

"Information provided by or in relation to qualifying members to the FAS scheme manager in relation to transitional tax-free amount certificates

13A.—(1) Paragraph (2) applies where the scheme administrator of a registered pension scheme issues a transitional tax-free amount certificate (see paragraph 127(1) of Schedule

(**a**) "Qualifying member" is defined in regulation 1 of S.I. 2010/1187.

9 to FA 2024) in relation to an individual who is a qualifying member at the time at which the certificate is issued.

(2) The relevant person must, before the end of the period of 90 days beginning with the day on which they receive the certificate, send a copy of the certificate to the FAS scheme manager(**a**).

(3) Paragraph (4) applies where the scheme administrator of a registered pension scheme issues a transitional tax-free amount certificate in relation to an individual who—

(a) is not a qualifying member at the time at which the certificate is issued; and

(b) becomes a qualifying member after that time.

(4) The relevant person must, before the end of the period of 90 days beginning with the day on which the individual becomes a qualifying member, send a copy of the certificate to the FAS scheme manager.

(5) Paragraph (6) applies where the scheme administrator of a registered pension scheme cancels a transitional tax-free amount certificate in relation to an individual who is a qualifying member.

(6) The relevant person must, before the end of the period of 90 days beginning with the day on which they receive the notice of cancellation, send a copy of the notice to the FAS scheme manager.

(7) In this regulation "relevant person", in relation to a transitional tax-free amount certificate, means—

(a) the qualifying member to whom the certificate relates; or

(b) if the qualifying member is deceased, the member's personal representatives.".

(17) Omit regulation 14 (information provided by the FAS scheme manager to qualifying members about liability for lifetime allowance charge).

(18) In regulation 15 (information provided by the FAS scheme manager to qualifying members about benefit crystallisation events)—

(a) in the heading after "qualifying members about" insert "relevant";

(b) in paragraph (1)(b), after "in respect of whom a" insert "relevant";

(c) in paragraph (2)—

(i) for "percentage of standard lifetime allowance" substitute "amount of the member's lump sum allowance and lump sum and death benefit allowance";

(ii) in sub-paragraph (a), at the beginning insert "relevant";

(iii) in sub-paragraph (b), for "benefit crystallisation events under section 216 of the FA 2004" substitute "relevant benefit crystallisation events"; and for "benefit crystallisation event" substitute "relevant benefit crystallisation event".

(19) In regulation 16 (information provided by the FAS scheme manager to personal representatives), in paragraph (1)—

(a) in sub-paragraph (a), for "percentage of standard lifetime allowance" substitute "amount of the member's lump sum and death benefit allowance";

(b) in sub-paragraph (b)—

(i) in the words before paragraph (i), for "percentage of standard lifetime allowance" substitute "amount of the member's lump sum allowance and lump sum and death benefit allowance";

(**a**) "FAS scheme manager" is defined in regulation 1 of S.I. 2010/1187.

(ii) in paragraph (i), at the beginning insert "relevant";

(iii) in paragraph (ii), for "benefit crystallisation events under section 216 of the FA 2004" substitute "relevant benefit crystallisation events"; and for "benefit crystallisation event" substitute "relevant benefit crystallisation event";

(iv) in the words after paragraph (ii), for "percentage" substitute "amount".

(20) In regulation 17 (information provided by the FAS scheme manager to HM Revenue and Customs)—

(a) in paragraph (1)—

(i) in the words before sub-paragraph (a), for the words from "If assistance" to "benefit crystallisation event" substitute "If the amount of a lump sum paid to a qualifying member under regulation 17D or a payment made in respect of a qualifying member under regulation 18A in the form of a lump sum exceeds the permitted maximum in relation to the lump sum, within three months of the payment";

(ii) in sub-paragraph (b), for "relevant benefit crystallisation event" substitute "payment";

(iii) in sub-paragraph (c), for "crystallised by the event" substitute "of the lump sum";

(iv) in sub-paragraph (d) omit "lifetime"; and for "Lifetime Allowance" substitute "Allowances";

(v) for sub-paragraph (e) substitute—

"(e) the amount by which the amount of the lump sum exceeds the permitted maximum in relation to the lump sum.";

(b) omit paragraph (2).

(21) In regulation 18 (information provided by personal representatives to HM Revenue and Customs)—

(a) in paragraph (1), for sub-paragraph (b) substitute—

"(b) the amount of the lump sum exceeds the permitted maximum in relation to the lump sum,";

(b) in paragraph (2)—

(i) after sub-paragraph (b) insert—

"(ba) the name of each other pension scheme (if any) of which the deceased member was a member, and the name and address of the scheme administrator of each such scheme;";

(ii) in sub-paragraph (c), after "name" insert ", date of birth, date of death and national insurance number";

(iii) after sub-paragraph (c) insert—

"(ca) each relevant reference number (if any) in relation to the deceased member;

(cb) the name, address, date of birth and national insurance number of the individual to whom the lump sum is paid;";

(iv) for sub-paragraph (f) substitute—

"(f) the amount by which the amount of the lump sum exceeds the permitted maximum in relation to the lump sum.".

(22) In regulation 19 (transitional provisions: lump sums), in the words after paragraph (b), for ""APCLS"" substitute "B".

(23) After regulation 19 insert—

"Transitional tax-free amount certificates

20. Paragraph 127 of Schedule 9 to FA 2024 (transitional tax-free amount certificates) applies in relation to a qualifying member as if—

(a) a reference to a registered pension scheme included a reference to the FAS(**a**); and

(b) a reference to the scheme administrator of a registered pension scheme included a reference to the FAS scheme manager.

Provision of information by FAS scheme manager to qualifying members

21. In paragraph 128 of Schedule 9 to FA 2024 (provision of information by scheme administrators to members)—

(a) a reference to the Provision of Information Regulations(**b**) includes a reference to these Regulations;

(b) a reference to a registered pension scheme includes a reference to the FAS; and

(c) a reference to the scheme administrator of a registered pension scheme includes a reference to the FAS scheme manager.".

The Pension Protection Fund (Pension Compensation Sharing and Attachment on Divorce etc) Regulations 2011

28. In the Pension Protection Fund (Pension Compensation Sharing and Attachment on Divorce etc) Regulations 2011(**c**), in regulation 29 (circumstances in which the portion of compensation to be commuted may exceed 25%)—

(a) in paragraph (2)(c), for "standard lifetime allowance" substitute "lump sum and death benefit allowance (see section 637R of the Income Tax (Earnings and Pensions) Act 2003)";

(b) in paragraph (5), for "1% of the standard lifetime allowance on the nominated date" substitute "the amount specified in paragraph 7(4) of Schedule 29 to the Finance Act 2004 ("the Finance Act") (trivial commutation lump sum: commutation limit)";

(c) in paragraph (6)(a)(i) omit "2004 ("the Finance Act")";

(d) in paragraph (8) omit sub-paragraph (b).

The Pension Protection Fund (Pension Compensation Sharing and Attachment on Divorce etc.) Regulations (Northern Ireland) 2011

29. In the Pension Protection Fund (Pension Compensation Sharing and Attachment on Divorce etc.) Regulations (Northern Ireland) 2011(**d**), in regulation 26 (circumstances in which the portion of compensation to be commuted may exceed 25%)—

(a) in paragraph (2)(c), for "standard lifetime allowance" substitute "lump sum and death benefit allowance (see section 637R of the Income Tax (Earnings and Pensions) Act 2003)";

(b) in paragraph (5), for "1% of the standard lifetime allowance on the nominated date" substitute "the amount specified in paragraph 7(4) of Schedule 29 to the Finance Act (trivial commutation lump sum: commutation limit)";

(**a**) "FAS" is defined in regulation 1 of S.I. 2010/1187.
(**b**) The "Provision of Information Regulations" is defined in paragraph 128(7) of Schedule 9 to FA 2024.
(**c**) S.I. 2011/731.
(**d**) S.R. 2011 No. 113. Regulation 26 was amended by S.R. 2013 No. 95.

(c) in paragraph (8) omit the entry for "standard lifetime allowance".

The Registered Pension Schemes (Notice of Joint Liability for the Annual Allowance Charge) Regulations 2011

30. In the Registered Pension Schemes (Notice of Joint Liability for the Annual Allowance Charge) Regulations 2011(**a**), in regulation 2 (particulars to be included in the notice), for paragraph (3) substitute—

"(3) Where—

(a) the notice is given to the scheme administrator in the relevant tax year(**b**), and

(b) it is anticipated that, at a later date in the relevant tax year, the individual will become entitled to all of the benefits under the pension scheme to which the notice relates,

the individual must state that date in the notice.".

The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021

31. In the Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021(**c**), in regulation 3 (relevant payments), in paragraph (1)(c)—

(a) omit the "or" at the end of paragraph (i);

(b) at the end of paragraph (ii) insert "or

(iii) charity lump sum death benefit within the meaning of paragraph 18 of Schedule 29 to that Act(**d**),".

Jeff Smith
Anna Turley

7th October 2024 — Two of the Lords Commissioners of His Majesty's Treasury

(**a**) S.I. 2011/1793.
(**b**) "Relevant tax year" is defined in regulation 1 of S.I. 2011/1793.
(**c**) S.I. 2021/506.
(**d**) Paragraph 18 of Schedule 29 to FA 2004 was amended by paragraph 16 of Schedule 19 to FA 2007 (c. 11), paragraph 38 of Schedule 16 to FA 2011 (c. 11), paragraph 25 of Schedule 1 and paragraph 15 of Schedule 2 to the Taxation of Pensions Act 2014 and by paragraph 5 of Schedule 5 to FA 2016 (c. 24).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend and modify primary and secondary legislation to make further consequential provision in connection with the removal of the lifetime allowance and the lifetime allowance charge by the Finance (No. 2) Act 2023 (c. 30) and the Finance Act 2024 (c. 3).

A reference in this Explanatory Note to "FA" followed by a year is a reference to a Finance Act of that year.

The amendments made by these Regulations have effect for the tax year 2024-25 and for subsequent tax years.

Paragraph 134(2)(b) of Schedule 9 to FA 2024 allows regulations to be made after 5 April 2024 so as to have effect for the tax year in which they are made.

Part 2 of these Regulations contains provisions amending or modifying primary legislation.

Regulation 2 amends section 98 of the Taxes Management Act 1970 (c. 9) so that a penalty attaches to a failure to give a transitional tax-free amount certificate as provided for in paragraph 127B of Schedule 9 to FA 2024.

(Regulation 17(5) of these Regulations inserts new paragraph 127B into Schedule 9 to FA 2024).

Regulation 3 amends various provisions in Chapter 15A of Part 9 of the Income Tax (Earnings and Pensions) Act 2003 (c. 1, "ITEPA 2003") relating to "the permitted maximum" and drawdown pension fund lump sum death benefits under registered pension schemes.

Paragraph (7) of regulation 3 inserts a new section 637T into ITEPA 2003, which makes provision as to the time at which the benefit crystallisation events within section 637S are deemed to have occurred, where there is more than one such event. It also makes provision as to the calculation of the amount of lump sum and death benefit allowance available.

Regulation 4 amends Chapter 1 of Part 11 of ITEPA 2003, by substituting cross-references in section 683 of ITEPA 2003 relating to the tax treatment of pension commencement excess lump sums (section 637B) and trivial commutation lump sums and winding-up lump sums (section 637G), so that taxable pension income determined in accordance with those sections is treated as PAYE pension income for a tax year. It also excludes from PAYE pension income any taxable pension income determined in accordance with section 579B of ITEPA 2003 by virtue of the application of section 579A as applied by sections 637H to 637M.

Regulation 5 amends sections 239 and 255 of FA 2004 (c. 12) to make consequential amendments as to the scheme sanction charge and to give the Commissioners for His Majesty's Revenue and Customs the power to make regulations as to the making of assessments in respect of the charge to tax under Part 9 of ITEPA 2003 as a result of amendments to provisions in that Act by these Regulations.

Regulation 6 makes minor consequential amendments to Schedule 29 to FA 2004.

Regulation 7 makes minor consequential amendment to Schedule 32 to FA 2004.

Regulation 8 amends Schedule 36 to FA 2004.

Paragraph (3) of regulation 8 modifies the effect of Chapter 15A of Part 9 of ITEPA 2003 in relation to individuals with relevant pre-commencement pension rights exceeding £1,500,000 where there is a notice of intention to rely on the primary protection rules in paragraph 7 of Schedule 36 to FA 2004. Where the primary protection rules apply, the individual's lump sum allowance is £375,000 and the amount of the individual's enhanced lump sum and death benefit allowance is that specified in section 637R of ITEPA 2003 (as determined by paragraph 20H of Schedule 36 to FA 20040. Paragraph 20H is inserted into Schedule 36 by regulation 8(16) of these Regulations.

Paragraph (5) of regulation 8 inserts a new paragraph 12A into Schedule 36 to FA 2004, which modifies the application of Part 2 of that Schedule and of Chapter 15A of Part 9 of ITEPA 2003, in relation to individuals with enhanced protection. It modifies the definition of "permitted maximum" in those provisions, as that term applies in relation to certain lump sums.

Paragraph (6) of regulation 8 amends paragraph 18 of Schedule 36 to FA 2004 to specify the amount of an individual's lump sum allowance and lump sum and death benefit allowance in Chapter 15A of Part 9 of ITEPA 2003.

Paragraph (7) of regulation 8 amends paragraph 19 of Schedule 36 to FA 2004 to substitute different amounts (for the purposes of Chapter 15A of Part 9 of ITEPA 2003) that an individual is permitted to take before normal minimum pension age.

Paragraph (8) of regulation 8 makes consequential amendments to paragraph 20 of Schedule 36 to FA 2004.

Paragraph (9) of regulation 8 amends paragraph 20A of Schedule 36 to FA 2004 to make provision as to the amount of an individual's lump sum and death benefit allowance in relation to pension credits from previously crystallised rights for the purposes of Chapter 15A of Part 9 of ITEPA 2003.

Paragraphs (10 to (15) of regulation 8 amend paragraphs 20B to 20G of Schedule 36 to FA 2004 to make consequential provision in relation to the lump sum allowances of individuals who are non-resident in the UK and in relation to overseas transfers.

Paragraph (16) of regulation 8 inserts a new paragraph 20H into Schedule 36 to FA 2004 to make provision for the calculation of an individual's enhanced lump sum and death benefit allowance where one or more enhancement factors operate in relation to the individual.

Paragraph (17) of regulation 8 makes minor consequential amendment to paragraph 24 of Schedule 36 to FA 2004.

Paragraph (18) of regulation 8 substitutes paragraph 27 of Schedule 36 to FA 2004 to make provision as to the determination of the maximum amount of a pension commencement lump sum that may be paid to an individual to whom the enhanced protection provisions in paragraph 12 of that Schedule apply.

Paragraph (19) of regulation 8 inserts a new sub-paragraph (A1) into paragraph 28 of Schedule 36 to FA 2004 to make provision in relation to individuals to whom the enhanced protection provisions in paragraph 12 of that Schedule do not apply.

Regulations 9, 10, 11 and 12, respectively, make amendments to the Pensions Act 2004 (c. 35), the Pensions (Northern Ireland) Order 2005 ((S.I. 2005/255 (N.I. 1), the Pensions Act 2008 (c. 30) and the Pensions (No. 2) Act (Northern Ireland) 2008 (2008 c. 13 (N.I.)), to remove references to the lifetime allowance from provisions relating to the payment of terminal illness lump sums.

Regulation 13 amends Schedule 18 to FA 2011 (c. 11) to make provision as to the amount of an individual's lump sum allowance and lump sum and death benefit allowance for the purposes of fixed protection.

Regulation 14 amends Schedule 22 to FA 2013 (c. 29) to make transitional provision as to the amount of an individual's lump sum allowance and lump sum and death benefit allowance for the purposes of "fixed protection 2014".

Regulation 15 amends Schedule 6 to FA 2014 (c. 26) to make transitional provision as to the amount of an individual's lump sum allowance and lump sum and death benefit allowance for the purposes of "individual protection 2016".

Regulation 16 amends Schedule 4 to FA 2016 (c. 24) to make transitional provision as to the amount of an individual's lump sum allowance and lump sum and death benefit allowance for the purposes of "fixed protection 2016".

Regulation 17 amends Schedule 9 to FA 2024 (c. 3).

Regulation 17(2) amends paragraph 126 of Schedule 9 to provide conditions to be met where a lump sum death benefit is paid in respect of an individual before 6 April 2024, for the purposes of determining the availability of an individual's lump sum and death benefit allowance. It is also amended to specify the relevant time for the purposes of determining the relevant benefit crystallisation event.

Regulation 17(3) amends paragraph 127 of Schedule 9 to make provision as to the availability of the standard lifetime allowance in the tax year 2023-24 and makes other, minor consequential amendments.

Regulation 17(4) amends paragraph 127A of Schedule 9 to make provision as to the previously-used amount of an individual's adjusted lifetime allowance.

Regulation 17(5) inserts a new paragraph 127B into Schedule 9 to require the provision of information to scheme administrators, where a certification administrator has issued a tax-free amount certificate and there are one or more other certification administrators in relation to the individual to whom the certificate relates.

Regulation 17(6) amends paragraph 128 of Schedule 9 to make provision as to the amount of the member's lump sum allowance that has been expended where either a) the certification conditions are met, or b) an non-qualifying person has been paid (before 6 April 2024) a defined benefits lump sum death benefit or an uncrystallised funds lump sum death benefit within a specified period.

Regulation 17 also makes other consequential amendments to Schedule 9.

Part 3 of these Regulations contains provisions amending and modifying subordinate legislation.

Regulation 18 makes minor consequential amendments to the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy, etc.) Regulations (Northern Ireland) 1997 (S.R. 1997 No. 153).

Regulation 19 makes minor consequential amendments to the Pension Protection Fund (Compensation) Regulations 2005 (S.I. 2005/670).

Regulation 20 makes minor consequential amendments to the Pension Protection Fund (Compensation) Regulations (Northern Ireland) 2005 (S.R. 2005 No. 149).

Regulation 21 amends regulation 4 of the Registered Pension Schemes (Accounting and Assessment) Regulations 2005 (S.I. 2005/3454) to provide that an officer of His Majesty's Revenue and Customs must issue an assessment to the person liable to the charge to tax in respect of a lump sum death benefit to which section 579A or 637N of ITEPA 2003 applies.

Regulation 22 makes minor consequential amendments to the Pension Schemes (Application of U.K. Provisions to Relevant Non-U.K. Schemes) Regulations 2006 (S.I. 2006/207).

Regulation 23 amends the Pension Schemes (Information Requirements - Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006 (S.I. 2006/208). It amends paragraph (2) of regulation 3 to require the scheme manager to provide to HMRC information as to the amount of the member's overseas transfer allowance that was available on the making of the transfer, when a payment is made or treated as made in respect of a relevant member. It also amends paragraph (2B) of regulation 3 to require provision of that information to HMRC in the circumstances set out in that paragraph.

Regulation 24 amends the Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567). Paragraph (2) of regulation 24 amends regulation 3 of those Regulations and requires information about a member's overseas transfer allowance to be provided by scheme administrators to HM Revenue and Customs. Paragraph (3) of regulation 24 amends regulation 8 of those Regulations to specify the information to be provided by scheme administrators to personal representatives. Paragraph (4) of regulation 24 amends regulation 11BA of those Regulations to require scheme administrators to provide information about a member's available overseas transfer allowance in relation to recognised transfers. Paragraph (5) of regulation 24 inserts a new regulation 14ZC into those Regulations to require the scheme administrator of the transferring scheme to provide the scheme administrator of the recipient scheme with information about "the permitted maximum" amount in relation to specified lump sums, if those sums were paid to or in respect of a member to whom enhanced protection applies. Paragraph (6) of regulation 24 makes consequential amendments to regulations 14A and 15 of those Regulations.

Regulation 25 amends the Taxation of Pension Schemes (Transitional Provisions) Order 2006 (S.I. 2006/572). Paragraph (3) of regulation 25 amends article 7 of that Order to modify Chapter 15A of Part 9 of ITEPA 2003 by inserting a new section 637NA to provide that no liability to income tax arises on a life cover lump sum, and to make other consequential provision. Paragraph (7) of regulation 25 substitutes article 13 of that Order, which modifies paragraph 20C of Schedule 36 to FA 2004 regarding the value of a relevant overseas individual's rights under a money purchase arrangement. Paragraph (8) of regulation 25 substitutes article 14 of that Order, which modifies paragraph 20D of Schedule 36 to FA 2004 regarding the value of a relevant overseas individual's rights under other arrangements. Regulation 25 also makes other consequential amendments to that Order.

Regulation 26 amends the Pension Protection Fund (Tax) Regulations 2006 (S.I. 2006/575). Paragraph (6) of regulation 25 substitutes a new regulation 42B for regulations 42 and 42A of those Regulations, which modifies Chapter 15A of Part 9 of ITEPA 2003 by inserting new sections 637GA, 637GB and 637GC. For these purposes:

Inserted section 637GA provides that no liability to income tax arises on a pension protection fund commutation lump sum or a pension protection funds pension credit commutation lump sum, to the extent that such lump sums do not exceed the permitted maximum.

Inserted section 637GB makes similar provision in relation to pension protection fund terminal illness lump sums.

Inserted section 637GC provides that an individual to whom other pension protection fund lump sums are paid is treated as having taxable pension income for the tax year in which the payment is made (subject to a "tax free element" of 25% of the value of any uncrystallised rights extinguished by the lump sum).

Regulation 26 also modifies sections 637Q and 637S of ITEPA 2003 as those provisions have effect for the purposes of the Pension Protection Fund (Tax) Regulations 2006.

Regulation 27 amends the Financial Assistance Scheme (Tax) Regulations 2010 (S.I. 2010/1187). Paragraph (2) of regulation 27 inserts a definition of "the permitted maximum" and other defined terms which operate for the purposes of those Regulations. Paragraph (3) of regulation 27 substitutes regulation 4 of those Regulations, which modifies the application of Chapter 15A of Part 9 of ITEPA 2003 in relation to certain lump sums paid by the Financial Assistance Scheme. Paragraph (14) of regulation 27 substitutes regulation 12 of those Regulations to make provision as to the qualifying member's allowances where a relevant benefit crystallisation event has occurred. Paragraph (16) of regulation 27 inserts a new regulation 13A into those Regulations to require provision of transitional tax-free amount certificates to the FAS scheme manager. Paragraph (23) of regulation 27 inserts new regulations 20 and 21 into those Regulations which make provision about transitional tax-free amount certificates and the provision of information by FAS scheme managers to qualifying members. Regulation 27 also makes further consequential provision to those Regulations.

Regulation 28 makes minor consequential amendments to the Pension Protection Fund (Pension Compensation Sharing and Attachment on Divorce etc) Regulations 2011 (S.I. 2011/731) and regulation 29 makes equivalent minor consequential amendments to the Pension Protection Fund (Pension Compensation Sharing and Attachment on Divorce etc) Regulations (Northern Ireland) 2011 (S.R. 2011 No. 113).

Regulation 30 amends regulation 2 of the Registered Pension Schemes (Notice of Joint Liability for the Annual Allowance Charge) Regulations 2011 (S.I. 2011/1793) as to the particulars to be given in the notice to scheme administrators.

Regulation 31 makes minor consequential amendments to regulation 3 of the Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021 (S.I. 2021/506).

A Tax Information and Impact Note covering this instrument will be published on the Gov.UK website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.

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