



Finance Act 2004

2004 CHAPTER 12

PART 4

PENSION SCHEMES ETC

CHAPTER 3

PAYMENTS BY REGISTERED PENSION SCHEMES

Introductory

161 Meaning of “payment” etc

- (1) This section applies for the interpretation of this Chapter.
- (2) “Payment” includes a transfer of assets and any other transfer of money’s worth.
- (3) Subsection (4) applies to a payment made or benefit provided under or in connection with an investment (including an insurance contract or annuity) acquired using sums or assets held for the purposes of a registered pension scheme.
- (4) The payment or benefit is to be treated as made or provided from sums or assets held for the purposes of the pension scheme, even if the pension scheme has been wound up since the investment was acquired.
- (5) A payment made by a registered pension scheme to [^{F1}or in respect of] a person who—
 - (a) is connected with a [^{F2}person who is or has been a] member or sponsoring employer (or was connected with [^{F3}such a person at the date of the person’s] death), and
 - (b) is not a [^{F2}person who is or has been a] member or sponsoring employer,is to be treated as made in respect of the [^{F2}person who is or has been a] member or sponsoring employer.

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- (6) Any asset held by a person connected with a [^{F4}person who is or has been a] member or sponsoring employer (or who was connected with [^{F5}such a person at the date of the person's] death) is to be treated as held for the benefit of the [^{F4}person who is or has been a] member or sponsoring employer.
- (7) Any increase in the value of an asset held by, or reduction in the liability of, a person connected with a [^{F6}person who is or has been a] member or sponsoring employer (or who was connected with [^{F7}such a person at the date of the person's] death) is to be treated as an increase or reduction for the benefit of the [^{F6}person who is or has been a] member or sponsoring employer.
- [^{F8}(8) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.]

Textual Amendments

- F1** Words in s. 161(5) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 5](#), 64(1)
- F2** Words in s. 161(5) inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 161(2), [Sch. 23 para. 4\(2\)\(a\)](#)
- F3** Words in s. 161(5) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 161(2), [Sch. 23 para. 4\(2\)\(b\)](#)
- F4** Words in s. 161(6) inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 161(2), [Sch. 23 para. 4\(3\)\(a\)](#)
- F5** Words in s. 161(6) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 161(2), [Sch. 23 para. 4\(3\)\(b\)](#)
- F6** Words in s. 161(7) inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 161(2), [Sch. 23 para. 4\(3\)\(a\)](#)
- F7** Words in s. 161(7) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 161(2), [Sch. 23 para. 4\(3\)\(b\)](#)
- F8** S. 161(8) substituted (with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 467](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

- C1** S. 161 modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), [2\(1\)-\(3\)](#)
- C2** S. 161(4) modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), [2\(4\)\(5\)](#)

Commencement Information

- I1** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)