



Finance Act 2010

2010 CHAPTER 13

PART 2

ANTI-AVOIDANCE AND REVENUE PROTECTION

Pensions

48 Extension of special annual allowance charge

(1) Schedule 35 to FA 2009 (special annual allowance charge) is amended as follows.

(2) In paragraph 1(2) (high-income individual)—

- (a) in the first sentence, for “£150,000” substitute “ £130,000 ”, and
- (b) insert at the end—

“Paragraph 16A makes special provision about cases in which the individual's relevant income for the tax year 2009-10 is less than £150,000.”

(3) In paragraph 2 (calculation of relevant income)—

- (a) in the last sentence of sub-paragraph (1),
- (b) in sub-paragraph (2) (in each place), and
- (c) in sub-paragraph (3) (in both places),

for “£150,000” substitute “ £130,000 ”.

(4) After sub-paragraph (5) of that paragraph insert—

“(5A) If—

- (a) the individual's relevant income for the tax year (whether that is the tax year 2009-10 or a later tax year) would (apart from this sub-paragraph) be less than £130,000 if the reference in sub-paragraph (5) to a scheme made on or after 22 April 2009 were to a scheme made on or after 9 December 2009, and

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2010, Section 48. (See end of Document for details)*

(b) the individual's relevant income for the tax year 2009-10 is less than £150,000,
the individual's relevant income for the tax year is to be assumed to be less than £130,000.”

(5) In paragraph 11(3)(b), after “22 April” insert “ 2009 ”.

(6) After paragraph 16 insert—

16A “Individuals with relevant income below £150,000 in 2009-10

- (1) This paragraph has effect if the individual's relevant income for the tax year 2009-10 is less than £150,000.
- (2) References in this Schedule to a pre-22 April 2009 pension input amount are to a pre-9 December 2009 pension input amount.
- (3) References in this Schedule to noon on 22 April 2009 are to 9 December 2009.
- (4) Other references in this Schedule to 22 April 2009 (except in paragraph 2) are to 9 December 2009.
- (5) The reference in paragraph 16(2) to 21 April 2009 is to 8 December 2009.
- (6) If the amount arrived at in the case of the individual under sub-paragraph (1) of paragraph 2 for the tax year 2009-10 is less than £150,000, take the steps in that sub-paragraph in relation to the tax year 2007-08 and the tax year 2008-09.

If the result is £150,000 or more for either or both of those earlier tax years the individual's relevant income for the tax year 2009-10 is to be assumed for the purposes of sub-paragraph (1) to be £150,000.

- (7) If there is a scheme the main purpose, or one of the main purposes, of which is to secure that the individual's relevant income for the tax year 2009-10 is less than £150,000, it is to be assumed for the purposes of sub-paragraph (1) to be £150,000.”
- (7) The amendments made by this section have effect for the tax year 2009-10 and subsequent tax years (but see paragraph 21(2) of Schedule 35 to FA 2009).

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2010, Section 48.