
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Cross Heading: Further amendments. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 4

ANNUAL ALLOWANCES

Further amendments

- 66 (1) Omit section 227A of FA 2004 (annual allowance charge: individuals who met flexible drawdown conditions).
- (2) In consequence of sub-paragraph (1)—
- (a) in section 227(4) of FA 2004, omit the second sentence, and
 - (b) omit paragraph 45 of Schedule 16 to FA 2011.
- (3) The amendments made by sub-paragraphs (1) and (2) have effect for the tax year 2015-16 and subsequent tax years.
- 67 (1) In section 228A of FA 2004 (carry forward of unused annual allowance) after subsection (7) insert—
- “(8) If, for a tax year preceding the current tax year, the chargeable amount in the individual's case was the alternative chargeable amount—
- (a) a reference in subsection (3)(a) or (b), (4)(b) or (6)(a) to the annual allowance for that preceding tax year is a reference to the alternative annual allowance for that preceding tax year (see section 227B(2)), and
 - (b) a reference in subsection (3)(a) or (b), (4)(b) or (6)(a) to the total pension input amount in the case of the individual for that preceding tax year is a reference to the defined-benefit input sub-total in the case of the individual for that preceding tax year (see section 227B(3) to (5)).
- (9) Subsection (3) does not apply in relation to a tax year—
- (a) preceding the current tax year, and
 - (b) ending not later than 5 April 2015,
- if, at any time in that preceding tax year, section 165(3A) or 167(2A) applied to an arrangement relating to the individual.”
- (2) The amendment made by this paragraph has effect where the current tax year is the tax year 2015-16 or a subsequent tax year.
- 68 In section 237B of FA 2004 (scheme administrator's co-liability for individual's annual allowance charge) after subsection (2) insert—

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“(2A) If the chargeable amount for the tax year in the individual's case is the alternative chargeable amount, each of the following is treated as being a reference to the amount that the annual allowance charge for the tax year would be in the individual's case if the chargeable amount were the default chargeable amount—

- (a) the reference in subsection (1)(a) to the amount of the individual's liability to the annual allowance charge for the tax year, and
- (b) the reference in subsection (3) to the annual allowance charge arising in the case of the individual.”

69 (1) In article 25C of the Taxation of Pension Schemes (Transitional Provisions) Order 2006 (S.I. 2006/572) after paragraph (3) insert—

“(4) If—

- (a) a stand-alone lump sum is paid—
 - (i) on or after 6 April 2015,
 - (ii) to a member of a pension scheme,
 - (iii) under a money purchase arrangement, and
 - (iv) in circumstances where article 25B(2) (circumstance A) applies, and
- (b) no previous stand-alone lump sum has been paid—
 - (i) on or after that day,
 - (ii) to the member,
 - (iii) under a money purchase arrangement, and
 - (iv) in circumstances where article 25B(2) applies,

subsection (1) of section 227G of the 2004 Act (individual first flexibly accesses pension rights at earliest time given by the following subsections of that section) has effect as if there were a subsequent subsection of that section stating that the member first flexibly accesses pension rights immediately before the stand-alone lump sum is paid.”

(2) The amendment made by sub-paragraph (1) is to be treated as having been made by the Treasury under the powers to make orders conferred by section 283(2) of FA 2004.

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