
STATUTORY INSTRUMENTS

2012 No. 764

The Postal Services Act 2011 (Taxation) Regulations 2012

PART 3

Income Tax

CHAPTER 2

Continued application of “A day” transitional provisions after the Accrued Rights Transfer

“Enhanced protection” to continue after the Accrued Rights Transfer

9. Where the Accrued Rights Transfer has taken place—

- (a) the Transfer is to be treated as a permitted transfer within the meaning of paragraph 12(7) of Schedule 36 for the purposes of paragraphs 12, 13 and 15 (“enhanced protection”) of that Schedule⁽¹⁾; and
- (b) that permitted transfer is to be treated as falling within paragraph 12(8)(c).

Rights to take benefit before normal minimum pension age to continue after the Accrued Rights Transfer

10.—(1) Paragraphs (2) and (3) apply where—

- (a) the RMPP was a protected pension scheme under paragraph 22(2) of Schedule 36⁽²⁾ in relation to a member; and
 - (b) the Accrued Rights Transfer has taken place.
- (2) The Transfer is to be treated as a block transfer within the meaning of paragraph 22(6) of Schedule 36 for the purposes of paragraphs 21 and 22 (rights to take benefit before normal minimum pension age) of that Schedule.
- (3) In relation to the retirement condition in paragraph 22(7) of Schedule 36—
- (a) the requirement in paragraph (a) is to be treated as met if the member becomes entitled to all the benefits payable to the member under arrangements under both the RMPP and the new public scheme (to which the member did not have an actual entitlement on or before 5th April 2006) on the same date; and
 - (b) in respect of the requirement in paragraph (b), direct or indirect references to a sponsoring employer in Condition 1, 2 or 3 in sub-paragraphs (7A), (7B), (7C) or (7E) (as the case may be) are to be read as references to a sponsoring employer of the RMPP.

(1) Paragraph 12 was amended, so far as is relevant, by paragraphs 1 and 53 of Schedule 10 to the Finance Act 2005 (c. 7), paragraphs 1, 16 and 17 of Schedule 20 and table 2 in Part 3 of Schedule 27 to the Finance Act 2007 (c. 11). Paragraph 13 was amended by paragraphs 1 and 53(1) and (7) of Schedule 10 to the Finance Act 2005. Paragraph 15 was amended by paragraphs 1, 37 and 40 of Schedule 23 to the Finance Act 2006 (c. 25) and paragraphs 1, 16 and 19 of Schedule 20 to the Finance Act 2007.

(2) Paragraph 22 was amended by paragraphs 1, 54 and 55 of Schedule 10 to the Finance Act 2005, paragraphs 1 and 43 of Schedule 23 to the Finance Act 2006 and paragraphs 423 and 432(3) of Schedule 1 to the Corporation Tax Act 2010.

Entitlement to lump sums exceeding 25% of uncrystallised rights to continue after the Accrued Rights Transfer

11.—(1) Paragraph (2) applies where—

- (a) the RMPP was a protected pension scheme under paragraph 31(4) of Schedule 36 in relation to a member; and
- (b) the Accrued Rights Transfer has taken place.

(2) The Transfer is to be treated as a block transfer within the meaning of paragraph 22(6) of Schedule 36 for the purposes of paragraphs 31 to 34(3) (entitlement to lump sums exceeding 25% of uncrystallised rights) of that Schedule.

Transitional protection for stand-alone lump sums to continue after the Accrued Rights Transfer

12.—(1) Paragraph (2) applies where—

- (a) the RMPP was entitled to pay a stand-alone lump sum under article 25(3) (stand-alone lump sums: definition) of the Transitional Provisions Order to an individual which, if it had been paid, would have been a stand-alone lump sum paid in circumstances where article 25B(4) (circumstance C) applied; and
- (b) the Accrued Rights Transfer has taken place.

(2) The Transfer is to be treated as a block transfer within the meaning of paragraph 22(6) of Schedule 36 for the purposes of article 25D(4)(c) of the Transitional Provisions Order.

Transitional protection for continued life cover (75+) to continue after the Accrued Rights Transfer

13.—(1) Paragraph (2) applies where—

- (a) the conditions A to C and E in article 6 of the Transitional Provisions Order were satisfied in relation to a member of the RMPP; and
- (b) the Accrued Rights Transfer has taken place.

(2) Conditions A to C and E in article 6 of the Transitional Provisions Order are to be treated as satisfied in respect of the new public scheme and the RMPP.

(3) Condition D in article 6 of the Transitional Provisions Order is to be treated as satisfied in respect of the new public scheme where the rules of that scheme in relation to life cover lump sums are the same as the equivalent rules of the RMPP relating to those sums on 10th December 2003.

Transitional protection in relation to dependants' scheme pension limit to continue after the Accrued Rights Transfer

14.—(1) Paragraph (2) applies where—

- (a) a member of the RMPP in respect of whom a dependants' scheme pension is payable was actually entitled to one or more relevant existing pensions, as defined in paragraph 10(2) of Schedule 36, under that scheme on 5th April 2006; and
- (b) the Accrued Rights Transfer has taken place.

(3) Paragraph 31(7) was amended by paragraphs 1 and 55 of Schedule 10 to the Finance Act 2005. Paragraph 34 was amended by paragraphs 1 and 57 of Schedule 10 to the Finance Act 2005, paragraphs 1 and 25 of Schedule 25 to the Finance Act 2006, paragraph 13 of Schedule 29 to the Finance Act 2008 (c. 9) and paragraphs 62 and 82 to Schedule 16 of the Finance Act 2011 (c. 11). Paragraph 34 was also amended by paragraphs 1, 8 and 11 of Schedule 18 to the Finance Act 2011 with effect for the tax year 2012-13 and subsequent tax years.

(2) The transitional protection afforded by article 24 (disapplication of dependants' scheme pension limit) of the Transitional Provisions Order applies to a dependants' scheme pension payable under the new public scheme in respect of that member.

Transitional provision in relation to serious ill-health lump sums and pension protection lump sum death benefits to continue after the Accrued Rights Transfer

15.—(1) Paragraphs (3) and (5) apply where—

- (a) the Accrued Rights Transfer has taken place; and
- (b) the requirements in paragraph (2) are met.

(2) The requirements are that, in relation to article 33(2) (serious ill-health lump sums, pension protection lump sum death benefits and annuity protection lump sum death benefits) of the Transitional Provisions Order—

- (a) condition A was met in respect of an individual in relation to the RMPP immediately before the Accrued Rights Transfer; and
- (b) condition B had been met in respect of that individual in relation to the RMPP.

(3) Article 33(3) (modification of paragraph 4(2) of Schedule 29(4) (serious ill-health lump sum)) of the Transitional Provisions Order is to be treated as applying to the new public scheme subject to the modification in paragraph (4).

(4) A pension paid by the new public scheme is to be treated as a relevant existing pension, as defined by paragraph 10(2) of Schedule 36, if it would have been a relevant existing pension had it been paid by the RMPP.

(5) Article 33(4) (modification of paragraph 14(3) of Schedule 29(5) (pension protection lump sum death benefit)) of the Transitional Provisions Order is to be treated as applying to the new public scheme as if it provided as follows—

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

- (a) for the definition of “AC” substitute—

“AC is the value of the individual’s pre-commencement pension rights under the RMPP as defined in paragraph 20(3) and (5) of Schedule 36”,

- (b) for the definition of “AP” substitute—

“AP is the aggregate of the amounts of pension paid—

- (a) under the RMPP in respect of the period before the Accrued Rights Transfer, and
- (b) under the new public scheme in respect of the period on and after the day on which the Accrued Rights Transfer takes place, between 6th April 2006 and the member’s death.”, and

- (c) for the definition of TPLS substitute—

“TPLS is the total amount of pension protection lump sum death benefit previously paid in respect of the pension paid under—

- (a) the RMPP in respect of the period before the Accrued Rights Transfer, and
- (b) the new public scheme in respect of the period on and after the day on which the Accrued Rights Transfer takes place.””

(4) Paragraph 4 was amended by paragraphs 23 and 28 of Schedule 16 to the Finance Act 2011.

(5) Paragraph 14 was amended by paragraphs 32 and 34 of Schedule 16 to the Finance Act 2011.

Transitional protection in relation to payments to children aged 23 or over to continue after the Accrued Rights Transfer

16.—(1) Paragraph (2) applies where the Accrued Rights Transfer has resulted in the transfer from the RMPP to the new public scheme of Accrued Rights in respect of which article 34 (payments to children aged 23 or over) of the Transitional Provisions Order applied.

(2) The Transfer is to be treated as a block transfer within the meaning of article 34B(4) for the purposes of article 34(6).

17.—(1) Paragraph (2) applies where the Accrued Rights Transfer has resulted in the transfer from the RMPP to the new public scheme of Accrued Rights in respect of which article 34A (payments to financially dependent children aged 23 or over) of the Transitional Provisions Order applied.

(2) The Transfer is to be treated as a block transfer within the meaning of article 34B(4) for the purposes of article 34A(5).

18.—(1) Paragraph (2) applies where—

- (a) Condition D in article 34A(3) of the Transitional Provisions Order was met in relation to a pension death benefit payable in respect of a member of the RMPP so that article 34A was capable of applying to the payment of a pension death benefit; and
- (b) the Accrued Rights Transfer has taken place.

(2) The Transfer is to be treated as a block transfer within the meaning of article 34B(4) for the purpose of article 34A(5).

Transitional protection in relation to lump sum death benefits to continue after the Accrued Rights Transfer

19.—(1) Paragraph (2) applies where—

- (a) the Accrued Rights Transfer has resulted in the transfer from the RMPP to the new public scheme of Accrued Rights in respect of a member; and
- (b) after the Accrued Rights Transfer a lump sum is paid under the new public scheme in respect of the death of that member which—
 - (i) meets the condition in sub-paragraph (b) of article 40(1) (lump sum death benefits — death of member) in respect of the administrator of the RMPP for the period before the Accrued Rights Transfer and in respect of the administrator of the new public scheme for the period on and after the day on which the Accrued Rights Transfer takes place; and
 - (ii) had the Transfer not taken place, would have met the conditions in sub-paragraphs (a) and (c) to (e) of article 40(1) of the Transitional Provisions Order.

(2) Article 40(2) is to be treated as applying to the payment of the lump sum under the new public scheme.