
STATUTORY INSTRUMENTS

2024 No. 356

The Pensions (Abolition of Lifetime Allowance Charge etc) Regulations 2024

Part 2

Amendments of primary legislation

Part 4 of FA 2004

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

(2) After section 244IC (availability of member’s overseas transfer allowance)(1) insert—

“244ID Information to be provided by relieved relevant non-UK scheme on block transfer

(1) Subsection (2) applies where—

- (a) a relieved relevant non-UK scheme (“the transferring scheme”) makes a transfer to a QROPS, and
- (b) the transfer is a block transfer in relation to any member of the transferring scheme.

(2) The scheme manager of the transferring scheme must, before the end of the period of 91 days beginning with the day of the transfer, provide the scheme manager of the QROPS with a statement stating—

- (a) that the transfer is a block transfer and, accordingly, that an onward transfer subsequently made by the QROPS of sums or assets derived from those transferred by the block transfer may give rise to an overseas transfer charge under section 244IA,
- (b) the date of the transfer, and
- (c) the transferred value of the transfer (determined in accordance with section 244K).

(3) Section 244AB(2)(a) (meaning of “block transfer”) applies for the purposes of this section.”.

(3) Section 244K (meaning of “transferred value”)(2) is amended in accordance with paragraphs (4) to (7).

(4) In subsection (7)—

- (a) in the words before paragraph (a), for “the charge” substitute “a charge under section 244AC or 244IA”;
- (b) in the words after paragraph (b), for “given by subsections (2) to (6) grossed up by reference to the rate specified in subsection (1)” substitute “specified in subsection (7A)”.

(1) Sections 244IA, 244IB and 244IC were added to FA 2004 by paragraph 54 of Schedule 9 to FA 2024.

(2) Section 244K was added by paragraph 11 of Schedule 4 to FA 2017 (c. 10).

(5) After subsection (7) insert—

“(7A) The amount mentioned in subsection (7) is the aggregate of—

- (a) the chargeable portion,
- (b) the gross-up amount, and
- (c) the non-chargeable portion (if any).

(7B) In subsection (7A)—

“the chargeable portion” is—

- (a) in a case where the amount of the overseas transfer charge in relation to the transfer is to be determined under paragraph (a) of section 244JA(1), an amount equal to so much of the transferred value of the original transfer mentioned in that paragraph as did not exceed the amount of the member’s overseas transfer allowance that was available on the making of the original transfer;
- (b) in a case where the amount of the overseas transfer charge in relation to the transfer is to be determined under paragraph (b) of section 244JA(1), the amount given by subsections (2) to (6);
- (c) in a case where the amount of the overseas transfer charge in relation to the transfer is to be determined under section 244JA(2), so much of the amount given by subsections (2) to (6) as exceeds the amount of the member’s overseas transfer allowance that is available on the making of the transfer;

“the gross-up amount” is an amount equal to one third of the chargeable portion;

“the non-chargeable portion” is—

- (a) the amount given by subsections (2) to (6), less
- (b) the chargeable portion.”.

(6) In subsection (8), for “the charge” substitute “a charge under section 244AC or 244IA”.

(7) In subsection (9), for “the charge”, in the first place it occurs substitute “a charge under section 244AC or 244IA”.

(8) In section 280 (abbreviations and general index)(3), in the table in subsection (2), at the appropriate place insert—

“disqualifying pension credit	section 278A”. (4)
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(9) Schedule 29 (definitions of lump sums) is amended in accordance with paragraphs (10) to (12).

(10) In paragraph 3C (pension commencement excess lump sum)(5)—

- (a) in sub-paragraph (1), in paragraph (b), after “lump sum allowance” insert “, or when none of the individual’s lump sum and death benefit allowance,”;
- (b) omit sub-paragraphs (2) and (3);
- (c) in sub-paragraph (5)—
 - (i) in paragraph (a), after “lump sum allowance” insert “or lump sum and death benefit allowance”;
 - (ii) omit paragraph (b) and the “or” before it.

(3) Section 280 has been amended on many occasions, none of which is relevant to this amendment.

(4) Section 278A was added to FA 2004 by paragraph 23 of Schedule 9 to FA 2024.

(5) Paragraph 3C was added by paragraph 26(9) of Schedule 9 to FA 2024.

- (11) In paragraph 4A (uncrystallised funds pension lump sum)(6) omit sub-paragraph (7).
- (12) In paragraph 8 (trivial commutation lump sum: value of member’s relevant crystallised pension rights on the nominated date)(7), in sub-paragraph (1)—
- (a) in the words before sub-paragraph (a) omit “the aggregate of”;
 - (b) omit sub-paragraph (a) and the “and” after it.
- (13) Schedule 36 (transitional provision and saving: pre-commencement benefit rights) is amended in accordance with paragraphs (14) and (15).
- (14) Omit paragraph 29A (enhancement of lump sum allowance where paragraph 24 applies)(8).
- (15) In paragraph 34 (application of Schedule 29 to FA 2004 where paragraph 31 of that Schedule applies)(9), in sub-paragraph (2), for the definition of D substitute—
- ““D” is—
- (a) if the relevant pension is income withdrawal, the applicable amount determined in accordance with paragraph 2A of Schedule 29;
 - (b) if the relevant pension is a lifetime annuity, the applicable amount determined in accordance with paragraph 2B of Schedule 29;
 - (c) if the relevant pension is a scheme pension under a defined benefits arrangement, or a collective money purchase arrangement, the applicable amount determined in accordance with paragraph 2C of Schedule 29;
 - (d) if the relevant pension is a scheme pension under a money purchase arrangement that is not a collective money purchase arrangement, the scheme pension purchase price as it would be defined by paragraph 2D of Schedule 29 if the words “(subject to sub-paragraph (4))” in sub-paragraph (3), and sub-paragraph (4), were omitted;”. (10)

(6) Paragraph 4A was added by paragraph 57 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30) and amended by paragraph 21(5) of Schedule 5 to FA 2021 (c. 26) and paragraph 28 of Schedule 9 to FA 2024.

(7) Paragraph 8 was amended by section 42(2) of FA 2014 (c. 26) and paragraph 30(2) of Schedule 9 to FA 2024.

(8) Paragraph 29A was added by paragraph 85 of Schedule 9 to FA 2024.

(9) Paragraph 34 was substituted by paragraph 87 of Schedule 9 to FA 2024.

(10) Paragraphs 2A, 2B, 2C and 2D were added by paragraph 26(5) of Schedule 9 to FA 2024.