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SCHEDULES

SCHEDULE 9

PENSIONS

PART 1

ABOLITION OF LIFETIME ALLOWANCE CHARGE

- 13 (1) Schedule 32 (meaning of expressions relating to benefit crystallisation events) is amended as follows.
- (2) In the shoulder note, for “Section 216” substitute “Sections 232 and 236”.
- (3) In the heading omit “- supplementary”.
- (4) Before paragraph 1 and the italic heading before it insert—

“Introduction

- A1 (1) This Schedule applies for the purposes of sections 232 and 236.
- (2) In this Schedule—
- (a) paragraph [A2](#) sets out the events that are benefit crystallisation events in relation to an individual;
- (b) subsequent paragraphs give the meaning of expressions used in paragraph [A2](#).

The benefit crystallisation events

- A2 (1) Benefit crystallisation event 1 occurs in relation to an individual if sums or assets held for the purposes of a money purchase arrangement under any of the relevant pension schemes are designated as available for the payment of drawdown pension to the individual.
- (2) Benefit crystallisation event 2 occurs in relation to an individual if the individual becomes entitled to a scheme pension under any of the relevant pension schemes.
- (3) Benefit crystallisation event 3 occurs in relation to an individual if the individual, having become so entitled, becomes entitled to payment of the scheme pension, otherwise than in excepted circumstances, at an increased annual rate which—
- (a) exceeds the threshold annual rate, and
- (b) exceeds by more than the permitted margin the rate at which it was payable on the day on which the individual became entitled to it.

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- (4) Benefit crystallisation event 4 occurs in relation to an individual if the individual becomes entitled to a lifetime annuity purchased under a money purchase arrangement under any of the relevant pension schemes.
- (5) Benefit crystallisation event 6 occurs in relation to an individual if the individual becomes entitled to a relevant lump sum under any of the relevant pension schemes.”
- (5) In paragraph 1 (meaning of “the relevant pension schemes”)—
- (a) for “For the purposes of the benefit crystallisation events” substitute “In this Schedule”;
 - (b) omit the words from “(or in the case of” to the end.
- (6) Omit the following paragraphs and the italic headings before them—
- (a) paragraph 2A (avoiding double counting of refunded amounts of overseas transfer charge);
 - (b) paragraphs 2B, 3 and 4 (BCEs 1, 2 and 4: prevention of overlap);
 - (c) paragraph 5 (BCEs 1 and 5: hybrid arrangements);
 - (d) paragraph 6 (BCEs 2, 3 and 5: meaning of “RVF”);
- (7) In paragraph 7 (BCEs 2 and 4: early lifetime annuities) omit sub-paragraphs (4) and (5).
- (8) Omit the following paragraphs and the italic headings before them—
- (a) paragraph 9 (BCE 2: meaning of “P”);
 - (b) paragraph 13 (BCE 3: meaning of “XP”);
 - (c) paragraph 14 (BCE 5: meaning of “DP” and “DSL”);
 - (d) paragraph 14ZA (BCEs 5 and 5B: hybrid arrangements);
 - (e) paragraph 14ZB (BCE 5A: meaning of “amounts crystallised by BCE 1”);
 - (f) paragraph 14A (BCE 5B: meaning of “remaining unused funds”);
 - (g) paragraph 14B (BCEs 5C and 5D: meaning of “relevant two-year period”);
 - (h) paragraph 14C (BCEs 5C and 5D: meaning of “relevant unused uncrystallised funds”).
- (9) In paragraph 15 (BCE 6: meaning of “relevant lump sum”), in sub-paragraph (c), for “lifetime allowance excess lump sum” substitute “pension commencement excess lump sum”.
- (10) Omit the following paragraphs and the italic headings before them—
- (a) paragraph 15A (BCE 6: prevention of overlap);
 - (b) paragraph 16 (BCE 7: meaning of “relevant lump sum death benefit”);
 - (c) paragraph 17 (BCE 8: prevention of overlap).

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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):

- Sch. 9 para. 132(1) Sch. 9 para. 132 renumbered as Sch. 9 para. 132(1) by [S.I. 2024/356 reg. 4\(23\)\(a\)](#)
- Sch. 9 para. 125(1)(c) and word inserted by [S.I. 2024/356 reg. 4\(3\)\(b\)](#)
- Sch. 9 para. 125(3A) inserted by [S.I. 2024/356 reg. 4\(6\)](#)
- Sch. 9 para. 126(1)(c) inserted by [S.I. 2024/356 reg. 4\(9\)\(c\)](#)
- Sch. 9 para. 126(3A) inserted by [S.I. 2024/356 reg. 4\(10\)](#)
- Sch. 9 para. 127A and cross-heading inserted by [S.I. 2024/356 reg. 4\(12\)](#)
- Sch. 9 para. 128(6)(a)(zi) inserted by [S.I. 2024/356 reg. 4\(13\)](#)
- Sch. 9 para. 129(1)(c)(d) inserted by [S.I. 2024/356 reg. 4\(15\)\(b\)](#)
- Sch. 9 para. 129(2)(c) and word inserted by [S.I. 2024/356 reg. 4\(16\)\(b\)](#)
- Sch. 9 para. 130A and cross-heading inserted by [S.I. 2024/356 reg. 4\(21\)](#)
- Sch. 9 para. 132(2)-(5) inserted by [S.I. 2024/356 reg. 4\(23\)\(c\)](#)
- Sch. 9 para. 132A and cross-heading inserted by [S.I. 2024/356 reg. 4\(24\)](#)
- Sch. 9 para. 132(1) words inserted by [S.I. 2024/356 reg. 4\(23\)\(b\)](#)