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SCHEDULES

SCHEDULE 9

PENSIONS

PART 1

ABOLITION OF LIFETIME ALLOWANCE CHARGE

- 1 Part 4 of FA 2004 (pension schemes etc) is amended as follows.
- 2 In section 204 (tax charges: authorised pensions and lump sums), after subsection (2) insert—
 - “(3) For further provision, in addition to that contained in this Chapter, about the taxation of pensions and lump sums which are authorised to be paid by this Part, see—
 - (a) Chapter 5A of Part 9 of ITEPA 2003 (pensions under registered pension schemes);
 - (b) Chapter 15A of that Part of that Act (lump sums under registered pension schemes).”
- 3 Omit sections 214 to 226 (lifetime allowance charge) and the italic heading before those sections.
- 4 (1) Section 232 (annual allowance charge: cash balance arrangements: adjustments of closing value) is amended as follows.
 - (2) In subsection (8A)(c)—
 - (a) omit “or, but for paragraph 15A of Schedule 32, would occur”;
 - (b) for “lifetime allowance excess lump sum” substitute “pension commencement excess lump sum”.
 - (3) In subsection (8D)—
 - (a) in paragraph (a) omit “or benefit crystallisation event 5, 5A or 5B occurs in relation to the individual and the pension scheme”;
 - (b) in paragraph (b) omit “or the benefit crystallisation event occurs”.
 - (4) After subsection (8D) insert—

“(8E) Schedule 32 contains provision about the meaning of references in this section to benefit crystallisation events.”
- 5 (1) Section 236 (annual allowance charge: defined benefits arrangements: adjustments of closing value) is amended as follows.
 - (2) In subsection (8A)(c) for “lifetime allowance excess lump sum” substitute “pension commencement excess lump sum”.
 - (3) In subsection (8D)—

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- (a) in paragraph (a) omit “or benefit crystallisation event 5, 5A or 5B occurs in relation to the individual and the pension scheme”;
 - (b) in paragraph (b) omit “or the benefit crystallisation event occurs”.
- (4) After subsection (8D) insert—
- “(8E) Schedule 32 contains provision about the meaning of references in this section to benefit crystallisation events.”
- 6 In section 237B (annual allowance: liability of scheme administrator), in subsection (6) omit the words from “or benefit crystallisation event 5” to the end.
- 7 In section 255 (assessments under Part 4 of FA 2004), in subsection (1) omit paragraph (c).
- 8 Omit section 267 (discharge of liability of scheme administrator to lifetime allowance charge).
- 9 (1) Section 269 (appeal against decision on discharge of liability) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (a) omit “section 267(2) (discharge of liability to lifetime allowance charge)”;
 - (b) omit paragraph (b) (and the “or” before it).
- (3) In subsection (6) omit “lifetime allowance charge.”.
- (4) Omit subsections (9) to (11).
- 10 In section 272A (liabilities of independent trustee), in subsection (7) omit paragraph (b).
- 11 In section 280 (abbreviations and general index), in the table in subsection (2) omit the entries for the following—
- active membership period;
 - amount crystallised;
 - available (in relation to a person’s lifetime allowance);
 - benefit crystallisation event;
 - lifetime allowance (in relation to a person);
 - lifetime allowance charge;
 - lifetime allowance enhancement factors;
 - lifetime allowance excess lump sum;
 - overseas arrangement active membership period;
 - recognised overseas scheme arrangement;
 - relevant overseas individual;
 - standard lifetime allowance;
 - transitional 2013/14 lump sum;
 - winding-up lump sum death benefit.
- 12 In Schedule 28 (pension rules and pension death benefit rules), in Part 2 (pension death benefit rules), in paragraph 16AA omit sub-paragraph (a).
- 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”.

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- (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.
- (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);

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- (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 “DSLs”);
 - (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).
- 14 In Schedule 34 (non-UK schemes: application of certain charges) omit paragraphs 13 to 19 (lifetime allowance charge) and the italic heading before those paragraphs.

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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\(23\)\(b\)](#)