
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2017, Paragraph 3. (See end of Document for details)

SCHEDULES

SCHEDULE 4

PENSIONS: OFFSHORE TRANSFERS

PART 1

CHARGES WHERE PAYMENTS MADE IN RESPECT OF OVERSEAS PENSIONS

Amendments of Schedule 34 to FA 2004

- 3 (1) Paragraph 2 (member payment provisions apply to payments out of non-UK schemes if member is UK resident or has been UK resident in any of the preceding 5 tax years) is amended as follows.
- (2) The existing text becomes sub-paragraph (1).
- (3) In that sub-paragraph, after “scheme” insert “ so far as it is referable to 5-year rule funds ”.
- (4) After that sub-paragraph insert—
- “(2) The member payment provisions do not apply in relation to a payment made (or treated by this Part as made) to or in respect of a relieved member of a relevant non-UK scheme so far as it is referable to 10-year rule funds unless the member—
- (a) is resident in the United Kingdom when the payment is made (or treated as made), or
- (b) although not resident in the United Kingdom at that time, has been resident in the United Kingdom earlier in the tax year in which the payment is made (or treated as made) or in any of the 10 tax years immediately preceding that year.
- (3) The member payment provisions do not apply in relation to a payment made (or treated by this Part as made) to or in respect of a transfer member of a relevant non-UK scheme, so far as it is referable to any particular ring-fenced transfer fund of the member's under the scheme which has a key date of 6 April 2017 or later, unless—
- (a) the member is resident in the United Kingdom when the payment is made (or treated as made), or
- (b) although the member is not resident in the United Kingdom at that time—
- (i) the member has been resident in the United Kingdom earlier in the tax year containing that time, or

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- (ii) the member has been resident in the United Kingdom in any of the 10 tax years immediately preceding the tax year containing that time, or
- (iii) that time is no later than the end of 5 years beginning with the key date for the particular fund.

(4) In this paragraph—

“5-year rule funds”, in relation to a payment to or in respect of a relieved member of a relevant non-UK scheme, means so much of the member's UK tax-relieved fund under the scheme as represents tax-relieved contributions, or tax-exempt provision, made under the scheme before 6 April 2017;

“5-year rule funds”, in relation to a payment to or in respect of a transfer member of a relevant non-UK scheme, means—

- (a) the member's relevant transfer fund under the scheme, and
- (b) any of the member's ring-fenced transfer funds under the scheme that has a key date earlier than 6 April 2017;

“10-year rule funds”, in relation to a payment to or in respect of a relieved member of a relevant non-UK scheme, means so much of the member's UK tax-relieved fund under the scheme as represents tax-relieved contributions, or tax-exempt provision, made under the scheme on or after 6 April 2017.

(5) See also—

paragraph 1(6C), (6D) and (6F) (meaning of “ring-fenced transfer fund”),

paragraph 3 (meaning of “UK tax-relieved fund”, “tax-relieved contributions” and “tax-exempt provision” etc), and

paragraph 4 (meaning of “relevant transfer fund” etc).”

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