

## SCHEDULES

### SCHEDULE 3

#### Administrative matters

### **PART 7**

#### Taxation

#### **Deduction of tax**

16.—(1) The scheme manager must deduct from any payment under the scheme any tax which is required to be paid in respect of it.

(2) Subject to sub-paragraph (3), if a person's entitlement to a benefit or transfer payment under these Regulations—

(a) constitutes a benefit crystallisation event in accordance with section 216 of the 2004 Act<sup>M1</sup>; and

(b) a lifetime allowance charge under that Act is payable in respect of that event,  
that charge must be paid by the scheme administrator.

(3) The member's present or future benefits or transfer payment in respect of which any charge under sub-paragraph (2) arises must be reduced by an amount that fully reflects the amount of the charge paid by the scheme administrator and is to be calculated by reference to advice provided by the scheme actuary for that purpose.

(4) Where—

(a) the scheme manager's liability to pay a pension under regulation 108 is discharged by the payment of a lump sum in accordance with paragraph (4), (5) (6) or (7) of that regulation; and

(b) that lump sum payment is made to a member who has reached the age of 75.

the scheme administrator must deduct tax at the rate of 55% (or such other amount as applies from time to time) from the lump sum payable in accordance with section 205A of the 2004 Act<sup>M2</sup>.

(5) Where—

(a) a member has given written notice to the scheme administrator that a lump sum payable under regulation 111 is to be treated as a pension protection lump sum death benefit in accordance with paragraph 14 of Schedule 29 to the 2004 Act<sup>M3</sup>; and

(b) has not revoked that notice,

the scheme administrator must deduct tax at the rate of 55% (or such other amount as applies from time to time) from the lump sum payable in accordance with section 206 of the 2004 Act<sup>M4</sup>.

(6) Where—

(a) a lump sum on death is payable in accordance with regulation 111; and

- (b) that lump sum is payable in respect of a member who had reached the age of 75 at the date of the member's death.

the scheme administrator must deduct tax at the rate of 55% (or such other amount as applies from time to time) from the lump sum payable in accordance with section 206 of the 2004 Act.

(7) A person who is entitled to a benefit under these Regulations must (whether or not he intends to rely on entitlement to transitional protection, an enhanced lifetime allowance or to enhanced protection) give to the scheme administrator such information as will enable the scheme administrator to determine—

- (a) whether any lifetime allowance charge is payable in respect of the benefit and
- (b) if so, the amount of that charge.

(8) If a person claiming a benefit under these Regulations intends to rely on entitlement to an enhanced lifetime allowance by virtue of any of the provisions listed in section 256(1) of the 2004 Act <sup>M5</sup> (enhanced lifetime allowance regulations), that person must give to the scheme administrator—

- (a) the reference number issued by the Commissioners under the Registered Pension Schemes (Enhanced Lifetime Allowance) Regulations 2006 <sup>M6</sup> in respect of that entitlement; and
- (b) the information referred to in sub-paragraph (7).

(9) If a person claiming a benefit under these Regulations intends to rely on entitlement to transitional protection against a lifetime allowance charge in accordance with paragraph 14 of Schedule 18 to the Finance 2011 Act <sup>M7</sup> or paragraph 1 of Schedule 22 to the Finance Act 2013, that person must give to the scheme administrator—

- (a) the reference number issued by the Commissioners under the Registered Pension Schemes (Lifetime Allowance Transitional Protection) Regulations 2011 <sup>M8</sup> or Registered Pension Schemes and Relieved Non-UK Pension Schemes (Lifetime Allowance Transitional Protection) (Notification) Regulations 2013 <sup>M9</sup> in respect of that entitlement; and
- (b) the information referred to in sub-paragraph (7).

(10) If a person claiming benefit under these Regulations intends to rely on entitlement to individual protection against a lifetime allowance change in accordance with paragraph 1 of Schedule 6 to the Finance Act 2014 <sup>M10</sup>, the person must give to the scheme administrator—

- (a) the reference number issued by the Commissioners under the Registered Pension Schemes and Relieved Non-UK Pension Schemes (Lifetime Allowance Transitional Protection) (Individual Protection 2014 Notification) Regulations 2014 <sup>M11</sup> in respect of that entitlement; and
- (b) the information referred to in sub-paragraph (7).

(11) The information referred to in sub-paragraph (7) and, as the case may be, reference numbers referred to in paragraphs (8)(a), (9)(a), or (10)(a), must be given to the scheme administrator—

- (a) at the time the person makes a claim for a benefit; or
- (b) where that information has not been provided at the time of making the claim, within such time as the scheme administrator specifies in writing.

(12) Where the person fails to provide all, or part of, the information referred to in sub-paragraph (7) and, as the case may be, reference numbers referred to in paragraphs (8)(a), (9)(a) and (10)(a) within the time limits specified by the scheme administrator where relevant, the scheme administrator may treat the whole of the benefit as a chargeable benefit and pay the charge on that basis.

(13) Practitioners and non-GP providers must provide the information required by regulation 15A of the Registered Pension Schemes (Provision of Information) Regulations 2006 <sup>M12</sup> in respect of their benefits under the scheme in a manner prescribed from time to time by the Department.

(14) This sub-paragraph applies to a member who—

- (a) is liable to an annual allowance charge in accordance with section 237A of the 2004 Act<sup>M13</sup>; and
- (b) meets the conditions specified in paragraph (1) of section 237B of that Act<sup>M14</sup>.

(15) A member to whom sub-paragraph (14) applies may give notice in writing to the scheme administrator specifying that the scheme administrator and the member are to be jointly and severally liable for the payment of the annual allowance charge due in respect of that member in accordance with section 237B of the 2004 Act.

(16) Unless the scheme administrator's liability for an annual allowance charge referred to in sub-paragraph (15) is discharged in accordance with section 237D of the 2004 Act<sup>M15</sup>—

- (a) that annual allowance charge will be paid by the scheme administrator on behalf of the member; and
- (b) that member's present or future benefits in respect of which that charge arises must be adjusted in accordance with section 237E of the 2004 Act<sup>M16</sup> and must be calculated by reference to advice provided by the scheme actuary for that purpose.

(17) “Enhanced lifetime allowance” and “enhanced protection” are to be construed in accordance with the 2004 Act.

#### Marginal Citations

- M1** Section 216 has been amended by section 101 of, and paragraphs 1, 31 and 42 of Schedule 10 to, the Finance Act 2005 (c.7), section 161(1) of, and paragraphs 1 and 30 of Schedule 23 to, the Finance Act 2006 (c.25), section 92 of, and paragraphs 1(1) and (3), 4 and 5 of Schedule 29 to, the Finance Act 2008 (c.9) and section 65 of, and paragraphs 43, 62 and 73 of Schedule 16 to, the Finance Act 2011 (c.11)
- M2** Section 205A was inserted by section 65 of, and paragraph 40 of Schedule 16 to, the Finance Act 2011, and amended by section 219(1) of, and paragraphs 119 and 122 of Schedule 46 to, the Finance Act 2013 (c.29)
- M3** Paragraph 14 of Schedule 29 has been amended by section 65 of, and paragraphs 32 and 34 of Schedule 16 to, the Finance Act 2011
- M4** Section 206 has been amended by section 65 of, and paragraph 41 of Schedule 16 to, the Finance Act 2011, and section 219(1) of, and paragraphs 119 and 123 of Schedule 46 to, the Finance Act 2013
- M5** Section 256(1) has been amended by section 161(1) of, and paragraphs 1 and 42 of Schedule 23 to, the Finance Act 2006
- M6** S.I. 2006/131 as amended by S.I. 2006/3261, 2009/56 and 2010/561
- M7** Paragraph 14 has been amended by section 47(1) and (2) of the Finance Act 2013 and S.I. 2013/1730
- M8** S.I. 2011/1752 as amended by S.I. 2013/1740
- M9** S.I. 2013/1741
- M10** 2014 c.26
- M11** S.I. 2014/1842
- M12** S.I. 2006/567 Regulation 15A was inserted by regulations 2 and 9 of S.I. 2011/1797
- M13** Section 237A was inserted by section 66 of, and paragraphs 1 and 15 of Schedule 17 to, the Finance Act 2011 (c.11) and amended by section 219(1) of, and paragraphs 119 and 128 of Schedule 46 to, the Finance Act 2013 (c.29)
- M14** Section 237B was inserted by section 66 of, and paragraphs 1 and 15 of Schedule 17 to, the Finance Act 2011 and amended by section 219(1) of, and paragraphs 119 and 129 of Schedule 46 to, the Finance Act 2013 (c.29)
- M15** Section 237D was inserted by section 66 of, and paragraphs 1 and 15 of Schedule 17 to, the Finance Act 2011

**Changes to legislation:** There are currently no known outstanding effects for the The Health and Social Care Pension Scheme Regulations (Northern Ireland) 2015, Paragraph 16. (See end of Document for details)

**M16** [Section 237E](#) was inserted by section 66 of, and paragraphs 1 and 15 of Schedule 17 to, the Finance Act 2011

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There are currently no known outstanding effects for the The Health and Social Care Pension Scheme Regulations (Northern Ireland) 2015, Paragraph 16.