

*Status: Point in time view as at 19/03/2014.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, Paragraph 7. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 36

#### PENSION SCHEMES ETC: TRANSITIONAL PROVISIONS AND SAVINGS

##### Modifications etc. (not altering text)

- C1** Sch. 36 modified by The Taxation of Pension Schemes (Transitional Provisions) Order 2006 (S.I. 2006/572), art. 23D (as inserted (1.6.2009) by [S.I. 2009/1172](#), arts. 1, 3)

#### PART 2

##### PRE-COMMENCEMENT RIGHTS: LIFETIME ALLOWANCE CHARGE

##### Modifications etc. (not altering text)

- C2** Sch. 36 Pt. 2 applied (with modifications) (1.5.2010) by [The Financial Assistance Scheme \(Tax\) Regulations 2010 \(S.I. 2010/1187\)](#), regs. 1(1), **5-11**

##### *“Primary protection”*

- 7 (1) This paragraph makes provision for the operation of a lifetime allowance enhancement factor in relation to all benefit crystallisation events occurring in relation to an individual where—
- (a) the amount of the relevant pre-commencement pension rights of the individual exceeds £1,500,000 (the standard lifetime allowance for the tax year 2006-07), and
  - (b) notice of intention to rely on this paragraph is given to the Inland Revenue in accordance with regulations made by the Board of Inland Revenue.
- (2) The lifetime allowance enhancement factor is the primary protection factor.
- (3) The primary protection factor is—

$$\frac{RR - SLA}{SLA}$$

where—

RR is the amount of the relevant pre-commencement pension rights of the individual, and

SLA is £1,500,000 (the standard lifetime allowance for the tax year 2006-07).

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- (4) Sub-paragraph (3) is subject to paragraph 11 (pension debit on or after 6th April 2006).
- (5) The amount of the relevant pre-commencement pension rights of the individual is the aggregate of—
- (a) the value of the individual’s relevant uncrystallised pension rights on 5th April 2006 (calculated in accordance with paragraphs 8 and 9), and
  - (b) the value of the individual’s relevant crystallised pension rights on that date (calculated in accordance with paragraph 10).

**Modifications etc. (not altering text)**

- C3** Sch. 36 para. 7 applied (6.4.2006) by [The Pension Protection Fund \(Tax\) Regulations 2006 \(S.I. 2006/575\)](#), regs. 1, **29(1)**
- C4** Sch. 36 para. 7 construed as one with reg. 29 (6.4.2006) by [The Pension Protection Fund \(Tax\) Regulations 2006 \(S.I. 2006/575\)](#), regs. 1, **29(3)**

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