



# Finance (No. 2) Act 2005

## 2005 CHAPTER 22

### PART 2

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 1

#### PERSONAL TAXATION

#### *Social security pension lump sums*

#### **10 Consequential amendments**

- (1) ITEPA 2003 is amended as follows.
- (2) In section 577 (UK social security pensions) after subsection (1) insert—

“(1A) But this section does not apply to any social security pension lump sum (within the meaning of section 7 of F(No.2)A 2005).”.
- (3) In section 683 (PAYE income) in subsection (3) (meaning, subject to subsection (4), of “PAYE pension income”) in the opening words, for “subsection (4)” substitute “subsections (3A) and (4)”.
- (4) In that section, after subsection (3) insert—

“(3A) “PAYE pension income” for a tax year also includes any social security pension lump sum (within the meaning of section 7 of F(No.2)A 2005) in respect of which a charge to income tax arises under that section for that tax year.”.
- (5) In section 686 (meaning of “payment”) in subsection (1) (rules as to when payment of, or on account of, PAYE income is to be treated as made for the purposes of PAYE regulations) at the end of the subsection insert—

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*Status: This is the original version (as it was originally enacted).*

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“But this is subject to subsection (5) (PAYE pension income: social security pension lump sums).”.

(6) In that section, after subsection (4) insert—

“(5) For the purposes of PAYE regulations, a payment of, or on account of, an amount which is PAYE pension income of a person by virtue of section 683(3A) (social security pension lump sums) is to be treated as made at the time when the payment is made.”.

(7) In Schedule 1 (abbreviations and defined expressions) in Part 1 (abbreviations of Acts and instruments) insert at the end—

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“F(No.2)A 2005

The Finance (No. 2) Act 2005 (c. 22)”.  

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