

Status: Point in time view as at 06/04/2006.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, Cross Heading: Abatement of public service pensions. (See end of Document for details)

SCHEDULES

SCHEDULE 10 **U.K.**

PENSION SCHEMES ETC.

Abatement of public service pensions

- 7 In section 165(3) (when a person becomes entitled to a pension), insert at the end (not as part of paragraph (b)) “ and, for this purpose, the abatement of a scheme pension under a public service pension scheme is not to be taken to affect the right to receive it. ”

Commencement Information

- II** Sch. 10 para. 7 in force at 6.4.2006, see Sch. 10 para. 64(1)

- 8 (1) Schedule 32 (benefit crystallisation events: supplementary) is amended as follows.
- (2) In paragraph 9 (benefit crystallisation event 2: meaning of “P”), after sub-paragraph (1) insert—
- “(1A) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining the amount of the pension which will be payable for the purposes of sub-paragraph (1).”
- (3) After that paragraph insert—

“Benefit crystallisation event 3: disregarding abatement

- 9A For the purposes of benefit crystallisation event 3, any abatement of the scheme pension is to be left out of account in determining for the purposes of column 1—
- (a) the increased annual rate of the pension, and
- (b) the rate at which it was payable on the day on which the individual became entitled to it.”
- (4) In paragraph 11 (benefit crystallisation event 3: permitted margin in case of post-5th April 2006 pension), after sub-paragraph (7) insert—
- “(8) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining for the purposes of this paragraph the annual amount of the pension at the rate at which it was payable on the day on which the individual became entitled to it.”
- (5) In paragraph 12 (benefit crystallisation event 3: permitted margin in case of pre-5th April 2006 pension), after sub-paragraph (3) insert—

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“(4) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining for the purposes of this paragraph the annual amount of the pension at the rate at which it was payable on the day on which the individual became entitled to it.”

(6) In paragraph 13 (benefit crystallisation event 3: meaning of “XP”), after sub-paragraph (2) insert—

“(3) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining for the purposes of sub-paragraph (1)—

- (a) the increased annual rate of the pension, and
- (b) the rate at which it was payable on the day on which the individual became entitled to it.”

Commencement Information

I2 Sch. 10 para. 8 in force at 6.4.2006, see Sch. 10 para. 64(1)

9 In section 279(1) (definitions), before the definition of “the Board of Inland Revenue” insert—

““abatement”, in relation to a scheme pension under a public service pension scheme, means the reduction of the pension (including its reduction to nil) in accordance with the rules of the pension scheme by reason of re-employment in public service.”.

Commencement Information

I3 Sch. 10 para. 9 in force at 6.4.2006, see Sch. 10 para. 64(1)

10 In the table in section 280(2) (index of defined expressions), insert at the appropriate place—

“abatement	section 279(1)”.
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Commencement Information

I4 Sch. 10 para. 10 in force at 6.4.2006, see Sch. 10 para. 64(1)

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