

STATUTORY INSTRUMENTS

2010 No. 1187

The Financial Assistance Scheme (Tax) Regulations 2010

PART 3

Lifetime allowance

Benefit crystallisation events and amounts crystallised

7.—(1) In relation to assistance from the FAS, this table sets out—

- (a) the events which are benefit crystallisation events in relation to the individual; and
- (b) the amount which is crystallised by each of those events

in place of section 216 of the FA 2004 (lifetime allowance charge – benefit crystallisation events and amounts crystallised).

<i>Benefit crystallisation events</i>	<i>Amount crystallised</i>
1. Subject to paragraph (3), the individual becoming entitled for the first time to interim assistance in respect of membership of a qualifying pension scheme.	$(20xP) - RPSBCE$
2. Subject to paragraphs (3) and (4), the individual becoming entitled for the first time to one of the forms of non-lump sum assistance in respect of membership of a qualifying pension scheme in a case where the individual has not previously become entitled to one of the forms of interim assistance in respect of that scheme.	$(20xP) - RPSBCE$
3. The individual becoming entitled for the first time to an annual payment under regulation 17 in respect of membership of a qualifying pension scheme having previously become entitled to an initial payment in respect of that scheme.	Where paragraph (5) applies— $(20xP17) - BCE1$ Where paragraph (5) does not apply, nil.
4. The individual becoming entitled for the first time to an ill health payment from the FAS in respect of membership of a qualifying pension scheme having previously become entitled to an interim ill health payment in respect of that scheme.	Where paragraph (6) applies— $(20xP17A) - BCE1$ Where paragraph (6) does not apply, nil.
5. The individual becoming entitled to a lump sum payment under regulation 17D in respect of membership of a qualifying pension scheme in a case	The amount of the lump sum paid to the individual.

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<i>Benefit crystallisation events</i>	<i>Amount crystallised</i>
where the individual has not previously become entitled to interim assistance in respect of that scheme.	
6. A person becoming entitled to a lump sum in respect of the individual under regulation 18A in respect of the individual’s membership of a qualifying pension scheme.	The amount of the lump sum.

- (2) For the purposes of these Regulations, an individual becomes entitled to—
- (a) assistance from the FAS when that individual first acquires an actual (rather than a prospective) right to receive that assistance and the amount of that assistance has been determined by the FAS scheme manager; and
 - (b) a lump sum under regulation 17D immediately before the individual becomes entitled to the non-lump sum assistance to which the lump sum relates.

(3) The individual becoming entitled to interim assistance, an annual payment under regulation 17 or an ill health payment from the FAS in respect of membership of a qualifying pension scheme does not result in a benefit crystallisation event where that entitlement is solely as a result of the transfer to the Secretary of State of property, rights and liabilities which represent the rights to which the individual had, prior to the transfer, become entitled in respect of a scheme pension under that scheme.

(4) The individual becoming entitled to an annual payment under regulation 17 or an ill health payment from the FAS does not result in a benefit crystallisation event where the individual had previously become entitled to—

- (a) an initial payment or an interim ill health payment, as the case may be, from the FAS prior to the coming into force of these Regulations; or
- (b) a payment under regulation 17H (payments to qualifying members receiving a pension from the qualifying pension scheme before entitlement to an annual payment or ill health payment).

(5) This paragraph applies where the value of ~~(20xP17)~~ is more than the value of BCE1.

(6) This paragraph applies where the value of ~~(20xP17A)~~ is more than the value of BCE1.

(7) In this regulation—

“BCE 1” is the amount crystallised at the first benefit crystallisation event in the table in paragraph (1) following the individual becoming entitled to the relevant interim assistance;

“P” is the value of the assistance which will be payable to the individual in the period of 12 months beginning with the day on which the individual becomes entitled to assistance (assuming assistance remains payable throughout that period at the rate at which it is payable on that day);

“P17” is the value of the assistance which would have been payable to the individual in the period of 12 months beginning with the day on which the individual became entitled to an initial payment if—

the individual had become entitled to assistance in the form of an annual payment under regulation 17 on that day,

that assistance had remained payable throughout that period at the rate at which it would have been payable on that day, and

the individual had chosen not to commute any of that assistance for a lump sum;

“P17A” is the value of the assistance which would have been payable to the individual in the period of 12 months beginning with the day on which the individual became entitled to an interim ill health payment if—

the individual had become entitled to assistance in the form of an ill health payment on that day,

that assistance had remained payable throughout that period at the rate at which it would have been payable on that day, and

the individual had chosen not to commute any of that assistance for a lump sum; and

“RPSBCE” is the amount, if any, crystallised by the second or fifth benefit crystallisation event, as the case may be, under section 216 of the FA 2004 in respect of rights under the registered pension scheme of which the individual was a member prior to the transfer of the property, rights and liabilities which represent those rights to the Secretary of State.