

STATUTORY INSTRUMENTS

**2023 No. 113**

**The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023**

**PART 2**

**Modifications of Part 4 of the Finance Act 2004**

**CHAPTER 3**

**Benefits**

**Trivial commutation lump sum: additional lump sum paid to member**

**20.**—(1) Paragraphs (2) to (4) apply where—

- (a) an individual has been paid a trivial commutation lump sum (“the original TCLS”),
- (b) as a result of a relevant rectification provision, the individual has acquired rights under a registered pension scheme, and
- (c) the individual is paid a lump sum (“the top-up lump sum”) which, disregarding—
  - (i) paragraph 7(1)(a) of Schedule 29 to FA 2004 (requirement that no previous trivial commutation lump sum has been paid), and
  - (ii) paragraph 7(1)(b) of that Schedule (maximum value on commutation date),would be a trivial commutation lump sum.

(2) Subject to paragraph (3), the top-up lump sum is to be treated as a trivial commutation lump sum.

(3) Paragraph (2) does not apply if—

- (a) the top-up lump sum exceeds £10,000, and
- (b) the aggregate of—
  - (i) the top-up lump sum, and
  - (ii) the value of the individual’s pension rights on the nominated date<sup>(1)</sup> in relation to the original TCLS (as determined under paragraph 7(5) of Schedule 29 to FA 2004), exceeds £30,000.

(4) Regulation 3 of RPS(AP)R 2009 (commutation payments) does not apply in relation to the top-up lump sum.

**Commencement Information**

**II** [Reg. 20](#) in force at 6.4.2023, see [reg. 1\(2\)](#)

<sup>(1)</sup> “Nominated date” is defined in paragraph 7(3) of Schedule 29 to FA 2004.

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**Changes to legislation:** There are currently no known outstanding effects for the The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023, Section 20. (See end of Document for details)

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