

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

Serious ill-health lump sum: additional lump sum paid for deceased member

26.—(1) Paragraphs (2) to (6) apply where—

- (a) an individual (“P”) has been paid a serious ill-health lump sum in respect of an arrangement,
- (b) as a result of a relevant rectification provision P, or P’s personal representatives, have acquired rights under the arrangement (“the retrospective entitlement”),
- (c) P dies without having received benefits in respect of the retrospective entitlement,
- (d) a lump sum (“the top-up SIHLS”) is paid to P’s personal representatives at a time at which some of P’s lifetime allowance⁽¹⁾ is available, and
- (e) the top-up SIHLS extinguishes the retrospective entitlement.

[^{F1}(2) The payment is to be treated as a serious ill-health lump sum paid to P under a registered pension scheme.]

(3) The making of the payment is to be treated as a benefit crystallisation event in relation to P for the purposes of the lifetime allowance charge.

(4) The amount crystallised for the purposes of that benefit crystallisation event is the amount of the payment.

^{F2}(5)

(6) Regulation 3 of RPS(AP)R 2009 (commutation payments) does not apply in relation to the payment.

Textual Amendments

- F1** Reg. 26(2) substituted (14.9.2023) by [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No. 2\) Regulations 2023 \(S.I. 2023/912\)](#), regs. 1(2), **28(a)** (with reg. 1(3))
- F2** Reg. 26(5) omitted (14.9.2023) by virtue of [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No. 2\) Regulations 2023 \(S.I. 2023/912\)](#), regs. 1(2), **28(b)** (with reg. 1(3))

(1) Section 218 of FA 2004 defines what is meant by “lifetime allowance” for the purposes of Part 4 of that Act.

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 26. (See end of Document for details)

Commencement Information

II [Reg. 26](#) in force at 6.4.2023, see [reg. 1\(2\)](#)

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 26.