
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 2

Annual allowance

Adjusted income and threshold income calculated on basis of legacy scheme contributions

- 4.—(1) Paragraph (2) applies where—
- (a) in any tax year, an individual has remediable service (“the rolled-back service”) that, by virtue of section 2(1) of PSPJOA 2022, is pensionable service under a Chapter 1 legacy scheme, and
 - (b) that provision has effect, in relation to the rolled-back service, for the purposes mentioned in section 2(3)(b) of that Act (effect of section 2(1) on amount of benefits payable).
- (2) For the purposes of determining the individual’s adjusted income and threshold income for the tax year—
- (a) any contributions (other than voluntary contributions) paid by the individual to a Chapter 1 new scheme in the tax year in respect of the rolled-back service are to be ignored, and
 - (b) the individual is to be treated as having paid to the Chapter 1 legacy scheme, in the tax year, the contributions that would have been payable by the individual under the scheme in the tax year in respect of the rolled-back service if the service had, at the time it took place, been pensionable service under the scheme.
- (3) Any election in relation to the rolled-back service made by virtue of section 10 of PSPJOA 2022 (deferred choice to receive new scheme benefits) is to be ignored for the purposes of determining whether the condition in paragraph (1)(b) is met.
- (4) Paragraph (5) applies where—
- (a) a 2015 scheme election is made in relation to an individual, and
 - (b) in any tax year, the individual has remediable service (“the rolled-forward service”) that, by virtue of the election, is pensionable service under a judicial 2015 scheme.
- (5) For the purposes of determining the individual’s adjusted income and threshold income for the tax year—
- (a) any contributions (other than voluntary contributions) paid by the individual to a judicial legacy scheme in the tax year in respect of the rolled-forward service are to be ignored, and
 - (b) the individual is to be treated as having paid to the judicial 2015 scheme, in the tax year, the contributions that would have been payable by the individual under the scheme in the

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tax year in respect of the rolled-forward service if the service had, at the time it took place, been pensionable service under the scheme.

(6) In this regulation—

“adjusted income” means adjusted income for the purposes of section 228ZA of FA 2004 (tapered reduction of annual allowance: high income individual)(1);

“threshold income” means threshold income for the purposes of that section of that Act.

Commencement Information

II Reg. 4 in force at 6.4.2023, see **reg. 1(2)**

(1) Section 228ZA was inserted by paragraph 10 of Schedule 4 to F(No. 2)A 2015 (c. 33) and amended by section 22 of FA 2020 (c. 14).

Changes to legislation:

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