
STATUTORY INSTRUMENTS

2023 No. 912

The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No. 2) Regulations 2023

PART 3

Benefits

Lump sum death benefit already paid: repayment of overpaid amount

15.—(1) Paragraph (2) applies where—

- (a) an individual has at any time been paid a defined benefits lump sum death benefit⁽¹⁾ (“the original payment”) under a Chapter 1 scheme that met the conditions in paragraph 16(a) of Schedule 32 to FA 2004 (meaning of relevant lump sum death benefit: defined benefits lump sum death benefit)⁽²⁾,
- (b) the original payment includes an amount (“the overpaid DBLSDB”) that, as a result of the operation of a relevant rectification provision, was not payable to the individual, and
- (c) the liability under section 14(5) of PSPJOA 2022 (pension benefits and lump sum benefits) owed to the scheme in respect of the overpaid DBLSDB has been discharged in full.

(2) The amount crystallised by the benefit crystallisation event⁽³⁾ in connection with the individual’s entitlement to the original payment is to be treated as not including, and never having included, the overpaid DBLSDB.

(1) By virtue of regulation 2(2)(b), “defined benefits lump sum death benefit” is defined in paragraph 13 of Schedule 29 to FA 2004. Paragraph 13 was amended by paragraph 33 of Schedule 16 to FA 2011 and section 21(8) of F(No. 2)A 2015.

(2) Paragraph 16 of Schedule 32 was amended by paragraph 19(2) of Schedule 2 to the Taxation of Pensions Act 2014 and section 21(7) of F(No. 2)A 2015.

(3) By virtue of regulation 2(2)(b), events which are “benefit crystallisation events” in relation to an individual, and the amount which is crystallised by each of those events, are set out in section 216 of, and Schedule 32 to, FA 2004. Relevant amendments have been made to those provisions by paragraphs 8(2) to (6), 43(2) to (8) and 64(1) of Schedule 10 to FA 2005, paragraph 30 of Schedule 23 to FA 2006, section 92 of, and paragraphs 1, 5, 7, 8 and 10 of Schedule 29 to, FA 2008, paragraphs 43, 44, 62, 65, 73 and 80 of Schedule 16 to FA 2011, paragraphs 16, 26, 27, 61 and 76 of Schedule 1, and paragraphs 19(2), 21 and 24(1) to (3) of Schedule 2, to the Taxation of Pensions Act 2014, paragraphs 4 and 7(b) to (d) of Schedule 4 to FA 2015, section 21(7) of F(No. 2)A 2015, paragraph 18 of Schedule 4 to FA 2017 (c. 10) and section 24(8) of F(No. 2)A 2023.