

Govt 33

Mr Chancellor of the Exchequer

**Government Amendment 33**

Schedule 20, page 235, line 46, at end insert –

‘(2A) In paragraph 1(6) (power to provide that certain lump sums are to be treated as pension commencement lump sums), for “(1)(c) and (e)” substitute “(1)(a) and (c)...”.’.

**EXPLANATORY NOTE**

**SUMMARY**

1. Government amendment 33 provides for a change to the pension commencement lump sum rules. The amendment restores the scope of the power to make regulations in paragraph 1(6) schedule 29 Finance Act. In particular this ensures that regulations can continue to be made notwithstanding that the requirement that pension commencement lump sums can only be paid if the member has become entitled to it before age 75 is not met.

**DETAILS OF THE AMENDMENT**

2. Amendment 33 insets 2A into paragraph 11 which amends Schedule 29(1)(6) Finance Act 2004. The amendment replaces

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the reference to ‘sub-paragraph 1(1)(c) and (e)’ with ‘sub-paragraph 1(1)(a) and (c)’.

**BACKGROUND NOTE**

3. Paragraph 1(6) Schedule 29 Finance Act 2004 provides that regulations may be made where incorrect income tax has been paid in relation to the lifetime allowance charge. These regulations may allow any payment to the member out of any repayment of this tax to be treated as a pension commencement lump sum in prescribed circumstances notwithstanding that the payment is not made within 3 months of become entitled to the relevant pension or that the member is aged over 75.
4. As part of the amendment made by Paragraph 11 Schedule 20 of the Finance Bill the requirement relating to age 75 was moved from Paragraph 1(1)(e) Schedule 29 Finance Act 2004 to paragraph 1(1)(a). This amendment provides for a consequential change to the regulation making power.