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STATUTORY INSTRUMENTS

2026 No. 698

INCOME TAX

The Pensions (Abolition of Lifetime Allowance Charge etc) Regulations 2026

Made - - - -	*24th June 2026*
Coming into force - -	*25th June 2026*

The Treasury make these Regulations in exercise of the powers conferred by paragraph 134 of Schedule 9 to the Finance Act 2024(**1**).

In accordance with paragraph 134(3) of Schedule 9 to that Act, a draft of the instrument was laid before, and approved by a resolution of, the House of Commons.

Part 1

Introductory

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Pensions (Abolition of Lifetime Allowance Charge etc) Regulations 2026.

(2) Subject to paragraphs (4) to (6), the amendments made by these Regulations have effect for the tax year 2024-25 and subsequent tax years.

(3) The amendments made by regulations 2(6) and 14(4) to (7) have effect in relation to payments made on or after 29th June 2026.

(4) The amendments made by regulation 4(2) have effect in relation to lump sums paid on or after 29th June 2026.

(5) The amendments made by regulation 12 have effect in relation to transfers made on or after 29th June 2026.

(6) These Regulations come into force on the day after the day on which they are made.

(**1**) 2024 c. 3. In these footnotes, a reference to "FA" followed by a year is to a Finance Act of that year and a reference to "FA (No. 2)" followed by a year is to Finance (No. 2) Act of that year. Paragraph 134 of Schedule 9 was amended by section 59 of FA 2026 (c. 11).

Part 2

Amendments of primary legislation

ITEPA 2003

2.—(1) ITEPA 2003(**2**) is amended as follows.

(2) In section 574A ("pension": relevant lump sums), in subsection (3), in Step 3, in paragraph (b), at the end insert "and all of the member's lump sum and death benefit allowance is available".

(3) In section 637Q (availability of individual's lump sum allowance), after subsection (6) insert—

> "(6A) Where more than one relevant benefit crystallisation event occurs in relation to an individual on the same day, it is for the individual to decide the order in which they are to be treated as occurring for the purposes of this section."

(4) In section 637S (availability of individual's lump sum and death benefit allowance), after subsection (7) insert—

> "(7A) The individual's decision under subsection (7), so far as it relates to events that are relevant benefit crystallisation events for the purposes of section 637Q, must be consistent with the individual's decision under subsection (6A) of that section."

(5) In section 637T (section 637S: multiple lump sum death benefits paid)—

(a) in the heading, for "Section 637S:" substitute "Availability of individual's lump sum and death benefit allowance where";

(b) for subsection (3) substitute—

> "(3) The amount of the individual's lump sum and death benefit allowance that is available on the occurrence of any of the relevant benefit crystallisation events mentioned in subsection (1) is the relevant proportion of the undivided available amount.
>
> (3A) In subsection (3), "the undivided available amount" means the amount of the individual's lump sum and death benefit allowance that would, apart from that subsection (but after taking into account subsection (2)), be available on the occurrence of the relevant benefit crystallisation event in question."

(6) After section 637T insert—

> **"637U Availability of individual's allowances where lump sums or lump sum death benefits already paid by non-UK schemes**
>
> (1) Subsection (2) applies where—
>
> (a) a payment within paragraph 1(1)(a) or (b) of Schedule 34 to FA 2004 (non-UK schemes: application of certain charges and protections etc)(**3**) is made (or treated by Part 4 of that Act as made) to or in respect of an individual, and
>
> (b) the payment, or any part of it, is treated by virtue of that Schedule as—
>
> (i) a pension commencement lump sum, or

(**2**) 2003 c. 1. Section 38 of FA 2024 provides that "ITEPA 2003" is a reference to the Income Tax (Earnings and Pensions) Act 2003. In these footnotes, a reference to "ITEPA 2003" is to the Income Tax (Earnings and Pensions) Act 2003. Section 574A of ITEPA 2003 was inserted by paragraph 10 of Schedule 3 to FA 2017 (c. 10) and was amended by paragraph 61 of Schedule 9 to FA 2024. Sections 637Q and 637S of ITEPA 2003 were inserted by paragraph 41 of Schedule 9 to FA 2024 and were amended by S.I. 2024/1012. Section 637T of ITEPA 2003 was inserted by S.I. 2024/1012 and was amended by section 70(5) of FA 2026 (c. 11). "Lump sum and death benefit allowance" is defined in section 637R of ITEPA 2003 and "relevant benefit crystallisation event" is defined in section 637Q of that Act (both were inserted by paragraph 61 of Schedule 9 to FA 2024).

(**3**) 2004 c. 12.

(ii) an uncrystallised funds pension lump sum,

for the purposes of the member payment charges.

(2) In determining under section 637Q (availability of individual's lump sum allowance) the availability of the individual's lump sum allowance on the occurrence of any subsequent relevant benefit crystallisation event, the payment, or part of the payment, mentioned in subsection (1)(b) is to be treated as a relevant lump sum within the meaning of that section.

(3) Subsection (4) applies where—

(a) a payment within paragraph 1(1)(a) or (b) of Schedule 34 to FA 2004 (non-UK schemes: application of certain charges and protections etc) is made (or treated by Part 4 of that Act as made) to or in respect of an individual, and

(b) the payment, or any part of it, is treated by virtue of that Schedule as—

(i) a pension commencement lump sum,

(ii) a serious ill-health lump sum,

(iii) an uncrystallised funds pension lump sum, or

(iv) any authorised lump sum death benefit, other than a charity lump sum death benefit or a trivial commutation lump sum death benefit,

for the purposes of the member payment charges.

(4) In determining under section 637S (availability of individual's lump sum and death benefit allowance) the availability of the individual's lump sum and death benefit allowance on the occurrence of any subsequent relevant benefit crystallisation event, the payment, or part of the payment, mentioned in subsection (3)(b) is to be treated as—

(a) in a case within subsection (3)(b)(i) to (iii), a relevant lump sum within the meaning of that section;

(b) in a case within subsection (3)(b)(iv), a relevant lump sum death benefit within the meaning of that section."

Section 255 of FA 2004

3. In section 255 of FA 2004 (assessments under Part 4)(**4**), in subsection (1)(h), after sub-paragraph (vi) insert—

"(vii) section 637M(2) (flexi-access drawdown lump sum death benefits)(**5**)."

Schedule 29 to FA 2004

4.—(1) Schedule 29 to FA 2004 (registered pension schemes: authorised lump sums - supplementary)(**6**) is amended as follows.

(2) In paragraph 8 (trivial commutation lump sum)—

(a) in sub-paragraph (1)(c), for "under a registered pension scheme" substitute "to which sub-paragraph (3) applies";

(b) at the end of sub-paragraph (1)(c) insert ", and

(**4**) 2004 c. 12. Section 38 of FA 2024 provides that a reference to FA followed by a year is a reference to a Finance Act of that year. Section 255 was amended by paragraph 19 of Schedule 17 to FA 2011 (c. 11), paragraph 16 of Schedule 4 to FA 2017 (c. 10), paragraph 7 of Schedule 9 to FA 2024 and by S.I. 2024/1012.

(**5**) Section 637M of ITEPA 2003 was inserted by paragraph 41 of Schedule 9 to FA 2024. It was amended by S.I. 2024/1012.

(**6**) Paragraph 8 of Schedule 29 to FA 2004 was substituted by S.I. 2024/1167. Paragraph 12A was inserted by paragraph 36 of Schedule 9 to FA 2024. Paragraph 16 was amended by paragraph 36 of Schedule 16 to FA 2011 and by S.I. 2024/1012.

(d) if, at any time in the period beginning with 6 April 2006 and ending with the nominated date, there has been a transfer of sums or assets held for the purposes of, or representing accrued rights under, a registered pension scheme so as to become held for the purposes of or to represent rights under a qualifying recognised overseas pension scheme in connection with the member's membership of that pension scheme, the aggregate of the amount of any sums transferred and the market value of any assets transferred(**7**).";

(c) after sub-paragraph (2) insert—

"(3) This sub-paragraph applies to any lump sum paid under a registered pension scheme that is not any of the following—

(a) a short service refund lump sum;

(b) a refund of excess contributions lump sum;

(c) a trivial commutation lump sum;

(d) a winding-up lump sum.

(4) A reference in sub-paragraph (3)(a) to (d) to a description of lump sum includes a lump sum that is treated as a lump sum of that description for the purposes of ITEPA 2003 by virtue of section 164(1)(f) (power to prescribe authorised member payments)(**8**)."

(3) In paragraph 12A (meaning of references in Schedule 29 to amount of lump sum allowance or lump sum and death benefit allowance that is "available"), after sub-paragraph (4) insert—

"(5) When making that assumption in relation to the reference in paragraph 2(c) (permitted maximum for a pension commencement lump sum) any provision under which section 637R of ITEPA 2003 (individual's lump sum and death benefit allowance) is treated as specifying the member's enhanced lump sum and death benefit allowance (determined under paragraph 20H of Schedule 36 to this Act)(**9**) is to be disregarded."

(4) In paragraph 16 (annuity protection lump sum death benefit), in sub-paragraph (3), in the definition of AC—

(a) in paragraph (a), for "and (4)" substitute "(disregarding paragraph 2D(4))";

(b) in paragraph (b) for "and (4)" substitute "(disregarding paragraph 2B(4))".

Schedule 36 to FA 2004

5.—(1) Schedule 36 to FA 2004 (transitional provision and savings)(**10**) is amended as follows.

(2) In the heading of Part 2, for "rights:" substitute "rights and".

(3) In paragraph 18 (pre-commencement pension credits)—

(a) in sub-paragraph (2), omit paragraph (a) (including the "and" at the end);

(b) in sub-paragraph (8), in the definition of A, in paragraph (a), for "(see paragraph 6A(4))" substitute "(as specified in that provision for the purposes of paragraph 20H)";

(c) after that sub-paragraph insert—

(**7**) "Registered pension scheme" is defined in section 150(2) of FA 2004 and "qualified recognised overseas pension scheme is defined in section 169(2) of that Act.

(**8**) Section 164 of FA 2004 was inserted by paragraph 1 of Schedule 29 to FA 2008 (c. 9). There are no relevant amending instruments.

(**9**) Paragraph 20H of Schedule 36 was inserted by S.I. 2024/1012.

(**10**) Paragraph 18 of Schedule 36 to FA 2004 was substituted by paragraph 75 of Schedule 9 to FA 2024 (c. 3) and was amended by S.I. 2024/1012. Paragraphs 20A, 20B, 20E were inserted by paragraph 78 of Schedule 9 to FA 2024 and were amended by S.I. 2024/1012. Paragraphs 20A and 20E were also amended by S.I. 2024/1167. Paragraph 20H was inserted by S.I. 2024/1012. Paragraph 29 of Schedule 36 was substituted by paragraph 84 of Schedule 9 to FA 2024. Paragraph 34 was substituted by S.I. 2024/1167. Paragraph 34A was inserted by S.I. 2024/1167.

"(9) In this paragraph "relevant protection provision" has the meaning given in paragraph 20H(3)."

(4) In paragraph 20A (pension credits from previously crystallised rights)—

(a) in sub-paragraph (9), in the definition of A, in paragraph (a), for "(see paragraph 6A(4))" substitute "(as specified in that provision for the purposes of paragraph 20H)";

(b) after sub-paragraph (10) insert—

"(11) In this paragraph "relevant protection provision" has the meaning given in paragraph 20H(3)."

(5) In paragraph 20B (non-residence: general)—

(a) in sub-paragraph (9), in the definition of A, in paragraph (a), for "(see paragraph 6A(4))" substitute "(as specified in that provision for the purposes of paragraph 20H)";

(b) after that sub-paragraph insert—

"(10) In this paragraph "relevant protection provision" has the meaning given in paragraph 20H(3)."

(6) In paragraph 20E (transfers from recognised overseas pension scheme: general)—

(a) in sub-paragraph (10), in the definition of A, at the end of paragraph (a) insert "(as specified in that provision for the purposes of paragraph 20H)";

(b) after sub-paragraph (11) insert—

"(12) In this paragraph "relevant protection provision" has the meaning given in paragraph 20H(3)."

(7) Paragraph 29 (pre-commencement benefit rights: enhanced protection and lump sum protection: applicable amount) is amended in accordance with sub-paragraphs (8) to (10).

(8) In sub-paragraph (3), in the modified paragraph 2B(2) of Schedule 29—

(a) omit "(subject to sub-paragraph (4))";

(b) in the formula, omit "-E";

(c) omit the definition of E.

(9) For sub-paragraph (4) substitute—

"(4) Paragraph 2C of that Schedule (meaning of "the applicable amount" where the relevant pension is a defined benefits arrangement or a collective money purchase arrangement) applies as if, for sub-paragraphs (2) to (4), there were substituted—

"(2) The applicable amount is (subject to sub-paragraph (3))—

$$\frac{A}{B} \times (C + D)$$

where—

"A" is the value of the individual's relevant uncrystallised lump sum rights on 5 April 2006, calculated in accordance with paragraphs 25 and 26 of Schedule 36;

"B" is the value of the individual's uncrystallised pension rights on 5 April 2006, calculated in accordance with paragraphs 8 and 9 of that Schedule;

"C" is the pension commencement lump sum paid;

"D" is an amount equal to the value of the pension rights crystallised by reason of the individual becoming entitled to the pension.

(3) For the purposes of sub-paragraph (2), any part of what would otherwise be C or D which represents rights attributable to a disqualifying pension credit is to be disregarded.""

(10) After sub-paragraph (5) insert—

"(6) The Commissioners for His Majesty's Revenue and Customs may by regulations make provision about how the value of pension rights crystallised by reason of an individual becoming entitled to a pension is to be determined for the purposes of paragraph 2C(2) of Schedule 29, as modified by sub-paragraph (4) of this paragraph."

(11) In paragraph 34, in sub-paragraph (3), in the modified version of paragraph 2 of Schedule 29—

(a) in sub-paragraph (1), in the definition of B, for "(6)" substitute "(7)";

(b) in sub-paragraph (2), for the definition of F substitute—

""F" is—

(a) 1,073,100, or

(b) if a relevant protection provision applies in relation to the member, the member's lump sum and death benefit allowance (as determined in accordance with that provision).";

(c) in sub-paragraph (6)(c) for "collective money purchase scheme" substitute "collective money purchase arrangement"(**11**);

(d) after sub-paragraph (6) insert—

"(7) The following provisions are "relevant protection provisions" for the purposes of the definition of F in sub-paragraph (2)—

(a) paragraph 14 of Schedule 18 to FA 2011 (fixed protection)(**12**);

(b) paragraph 1 of Schedule 22 to FA 2013 ("fixed protection 2014")(**13**);

(c) paragraph 1 of Schedule 6 to FA 2014 ("individual protection 2014")(**14**);

(d) paragraph 1 of Schedule 4 to FA 2016 ("fixed protection 2016")(**15**);

(e) paragraph 9 of that Schedule ("individual protection 2016")."

(12) In paragraph 34A, in sub-paragraph (1)(b), in the modified version of section 637Q(6)(b) of ITEPA 2003, for "sub-paragraph (3)" substitute "sub-paragraph (2)".

ITA 2007

6. In section 30 of ITA 2007 (additional tax)(**16**), in subsection (1), omit the entry for section 214 of FA 2004(**17**).

Schedule 6 to FA 2014

7. In Schedule 6 to FA 2014 (transitional provision relating to new standard lifetime allowance etc)(**18**), in paragraph 1 ("individual protection 2014")—

(a) in sub-paragraph (2A), in the words before paragraph (a) omit "the lower of";

(**11**) "Collective money purchase arrangement" is defined in section 152(3A) of FA 2004. Subsection (3A) was inserted by paragraph 2 of Schedule 5 to FA 2021 (c. 26).

(**12**) 2011 c. 11. Paragraph 14 of Schedule 18 was amended by section 47 of FA 2013 (c. 29), section 23 of FA (No. 2) 2023 (c. 30), paragraph 90 of Schedule 9 to FA 2024 and by S.I. 2013/1740 and 2024/1012.

(**13**) 2013 c. 29. Paragraph 1 of Schedule 22 was amended by section 23 of FA (No. 2) 2023, paragraph 91 of Schedule 9 to FA 2024 and by S.I. 2024/1012.

(**14**) 2014 c. 26. Paragraph 1 was amended by paragraph 92 of Schedule 9 to FA 2024 and by S.I. 2024/1012.

(**15**) 2016 c. 24. Paragraphs 1 and 9 of Schedule 4 were amended by S.I. 2024/1012.

(**16**) 2007 c. 3. Section 38 of FA 2024 defines "ITA 2007" as the Income Tax Act 2007. A number of amendments have been made to section 30 of the Income Tax Act 2007 but none are relevant for the purposes of this amendment.

(**17**) Section 214 of FA 2004 was repealed by paragraph 3 of Schedule 9 to FA 2024 (c. 3).

(**18**) 2014 c. 26. Sub-paragraphs (2), (2A) and (2B) of paragraph 1 were substituted by S.I. 2024/1012. Section 44 of, and Schedule 6 to, FA 2014 make provision for a new standard lifetime allowance for the tax year 2014-15 and subsequent years.

(b) in sub-paragraph (7), for "purpose of applying sub-paragraph (2)" substitute "purposes of applying sub-paragraphs (2) to (2B)".

Schedule 4 to FA 2016

8. In Schedule 4 to FA 2016 (pensions: lump sum allowance and lump sum and death benefit allowance: transitional provision)(**19**), in paragraph 9 ("individual protection 2016")—

(a) in sub-paragraph (2A), in the words before paragraph (a) omit "the lower of";

(b) in sub-paragraph (7), for "purpose of applying sub-paragraph (2)" substitute "purposes of applying sub-paragraphs (2) to (2B)".

Schedule 9 to FA 2024

9.—(1) Part 6 of Schedule 9 to FA 2024 (pensions: transitional provision)(**20**) is amended as follows.

(2) In paragraph 127A (availability of member's overseas transfer allowance)—

(a) in sub-paragraph (1)—

(i) in paragraph (a) omit the "and" at the end;

(ii) at the end of paragraph (b) insert ", and

(c) at the time the transfer is made, the individual is not an individual to whom paragraph 12 of Schedule 36 to FA 2004 applies (enhanced protection)(**21**).";

(b) in sub-paragraphs (2) and (3)(b) omit "adjusted";

(c) for sub-paragraph (4) substitute—

"(4) Sub-paragraph (5) applies where the individual's lifetime allowance previously-used amount includes one or more amounts ("crystallised drawdown amounts") that are attributable to the occurrence, before 6 April 2024, of benefit crystallisation event 1 (designation of money purchase funds for drawdown).

(5) The individual's lifetime allowance previously-used amount is to be reduced for the purposes of sub-paragraphs (2) and (3) (but not below zero) by—

(a) if there is only one crystallised drawdown amount, the amount given by the following formula in relation to it, or

(b) if there is more than one crystallised drawdown amount, the sum of the amounts given by the following formula in relation to each of them.

(6) The formula is—

$$\frac{A}{B} \times 1{,}073{,}100$$

where—

"A" is the crystallised drawdown amount in question;

(**19**) 2016 c. 24. Sub-paragraphs (2), (2A) and (2B) of paragraph 9 were substituted by S.I. 2024/1012.

(**20**) 2024 c. 3. Paragraph 127A of Schedule 9 was inserted by S.I. 2024/356 and was amended by S.I. 2024/1012. Paragraph 127B and sub-paragraph (4C) of paragraph 129 of Schedule 9 were inserted by S.I. 2024/1012.

(**21**) 2004 c. 12. Paragraph 12 was amended by paragraph 53 of Schedule 10 to FA 2005 (c. 7), paragraph 17 of Schedule 20 to FA 2007 (c. 11), paragraph 432 of Schedule 1 to the Corporation Tax Act 2010 (c. 4), paragraph 59 of Schedule 26 to the Equality Act 2010 (c. 15), section 23(2) of FA (No. 2) 2023 (c. 30) and by S.I. 2024/1012.

"B" is the i`ndividual's lifetime allowance on the occurrence of the benefit crystallisation event to which the crystallised drawdown amount in question is attributable(**22**)."

(3) In paragraph 127B (provision of information by individuals to certification administrators), after sub-paragraph (8) insert—

"(8A) Sub-paragraph (8B) applies where—

(a) a transitional tax-free amount certificate(**23**) is issued in relation to an individual, and

(b) the individual subsequently becomes a member of a pension scheme ("the new pension scheme").

(8B) The relevant person must send a copy of the certificate to the scheme administrator of the new pension scheme.

(8C) Sub-paragraph (8B) must be complied with—

(a) before the end of the period of 90 days beginning with the day on which the individual becomes a member of the new pension scheme, and

(b) before the first day on which a relevant benefit crystallisation event occurs in relation to the individual after the day on which the individual becomes a member of the new pension scheme."

(4) In paragraph 129 (paragraphs 125 to 128: interpretation), in sub-paragraph (4C), for the words from "by the amount" to the end substitute "(but not below zero) by the amount given by the following formula—

"$$\frac{A}{B} x\ 1{,}073{,}100$$

where—

"A" is the amount or (if more than one) the sum of the amounts mentioned in sub-paragraph (4B)(b);

"B" is the individual's lifetime allowance at the time the individual reached the age of 75."

Part 3

Amendments of subordinate legislation

The Pension Sharing (Pension Credit Benefit) Regulations 2000

10. In the Pension Sharing (Pension Credit Benefit) Regulations 2000(**24**), in regulation 3 (pension credit benefit in lump sum form), in paragraph (a)—

(a) after "(a)," insert "(aa),";

(b) for ", (f) or (g)" substitute "or (f)".

(**22**) "Lifetime allowance previously-used amount" is defined in paragraph 129 of Schedule 9 to FA 2024 (inserted by S.I. 2024/1012).
(**23**) "Transitional tax-free amount certificate" is defined in paragraph 127 of Schedule 9 to FA 2024 (as amended by S.I. 2024/1012).
(**24**) S.I. 2000/1054. Regulation 3 was substituted by S.I. 2009/2930 and was amended by S.I. 2016/289.

The Registered Pension Schemes (Accounting and Assessment) Regulations 2005

11. In the Registered Pension Schemes (Accounting and Assessment) Regulations 2005(**25**), in regulation 8 (modifications and application of TMA), in paragraph (3), in the modified section 9(1A)(ca), after sub-paragraph (v) insert—

"(vi) section 637M(2) (certain flexi-access drawdown lump sum death benefits),".

The Registered Pension Schemes (Provision of Information) Regulations 2006

12. In the Registered Pension Schemes (Provision of Information) Regulations(**26**), in regulation 14ZC (information provided by scheme administrators on recognised transfers), after paragraph (7) insert—

"(8) Paragraph (9) applies if—

(a) in connection with a member of a registered pension scheme ("the transferring scheme"), there is a recognised transfer(**27**) from the transferring scheme to another registered pension scheme ("the recipient scheme"), and

(b) either—

(i) immediately before the transfer, the member is entitled under any arrangement under the transferring scheme to a stand-alone lump sum, or

(ii) at some time in the future the member would (in the absence of the transfer or any other transfer) become entitled under any such arrangement to such a lump sum.

(9) The scheme administrator of the transferring scheme must provide the scheme administrator of the recipient scheme with a statement stating the amount of the 5th April 2023 maximum.

(10) In paragraphs (8) and (9) and this paragraph—

"the 5 April 2023 maximum" means the maximum amount that, on 5th April 2023, could have been paid to the member under the arrangement in question by way of a stand-alone lump sum;

"stand-alone lump sum" has the meaning given by article 25 of the Taxation of Pension Schemes (Transitional Provisions) Order 2006(**28**).

(11) The requirements in paragraphs (6) and (9) must be complied with before the end of the period of 3 months beginning with the date of the recognised transfer in question."

The Registered Pension Schemes and Overseas Pension Schemes (Electronic Communication of Returns and Information) Regulations 2006

13.—(1) The Registered Pension Schemes and Overseas Pension Schemes (Electronic Communication of Returns and Information) Regulations 2006(**29**) are amended as follows.

(2) In Schedule 1 (information which must be supplied to HMRC by an approved method of electronic communication), in the entry beginning "An event report"—

(a) for "in entries" substitute "in any of entries";

(b) after "21" insert "and 24".

(**25**) S.I. 2005/3454. Regulation 8 was amended by S.I. 2014/1928, 2024/356 and 2024/1012.
(**26**) S.I. 2006/567. Regulation 14ZC was inserted (amongst other provisions) by paragraph 87 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30). It was amended by S.I. 2015/606 and 2024/1012.
(**27**) "Recognised transfer" is defined in section 169 of FA 2004.
(**28**) S.I. 2006/572. Article 25 (amongst other provisions) was substituted by S.I. 2006/2004 and was amended by S.I. 2011/1782.
(**29**) S.I. 2006/570. These Regulations were relevantly amended by paragraph 123 of Schedule 9 to FA 2024 and by S.I. 2009/56, 2011/702, 2012/884, 2013/1114 and 2013/2259.

(3) In Schedule 2 (information which may be supplied either to or by HMRC by an approved method of electronic communication), for the entry beginning "An amendment to an event report" substitute— "An amendment to an event report that was subject to regulation 4 (information which must be delivered by electronic means).

"Event report" in this entry means a report in respect of a reportable event specified in the table in regulation 3(1) of the Registered Pension Schemes (Provision of Information) Regulations 2006."

The Taxation of Pension Schemes (Transitional Provisions) Order 2006

14.—(1) The Taxation of Pension Schemes (Transitional Provisions) Order 2006(**30**) is amended as follows.

(2) In article 23 (modification of paragraph 34 of Schedule 36), in paragraph (2), in the modified paragraph 2(1) of Schedule 29, in the definition of B, for "(5)" substitute "(7)".

(3) In article 23D (modifications of Schedule 36 to FA 2004), after paragraph (2) insert—

"(3) In paragraph 34(3), in the modified paragraph 2 of Schedule 29, in sub-paragraph (2), for the definition of D substitute—

""D" is—

(a) in a case in which the lump sum is paid in connection with the individual becoming entitled to a trivial commutation lump sum(**31**) within paragraph 7A of Schedule 29, the amount of the trivial commutation lump sum;

(b) otherwise, the relevant capital amount in relation to the relevant pension (see sub-paragraph (6));"."

(4) In article 25 (stand-alone lump sums: introductory and definition), in paragraph (2), for "article 25C deals" substitute "articles 25C to 25CC deal".

(5) In article 25CA (circumstance A: tax treatment of stand-alone lump sums), after paragraph (4) insert—

"(5) Section 637U of ITEPA 2003 (availability of individual's allowances where lump sums or lump sum death benefits already paid by non-UK schemes)(**32**) has effect as if references in that section to a pension commencement lump sum included a stand-alone lump sum."

(6) In article 25CB (circumstance B: tax treatment of stand-alone lump sums), after paragraph (4) insert—

"(5) Section 637U of ITEPA 2003 (availability of individual's allowances where lump sums or lump sum death benefits already paid by non-UK schemes) has effect as if references in that section to a pension commencement lump sum included a stand-alone lump sum."

(7) In article 25CC (circumstance C: tax treatment of stand-alone lump sums), after paragraph (5) insert—

"(6) Section 637U of ITEPA 2003 (availability of individual's allowances where lump sums or lump sum death benefits already paid by non-UK schemes) has effect as if

(**30**) S.I. 2006/572. Article 23 was substituted by S.I. 2024/1167. Article 23D (amongst other provisions) was inserted by S.I. 2009/1172 and was amended by S.I. 2024/1012 and 2024/1167. Articles 25 and 25D (amongst other provisions) were substituted by S.I. 2006/2004. Article 25 was amended by S.I. 2011/1782. Article 25D was amended by paragraph 95 of Schedule 9 to FA 2024. Articles 25CA, 25CB and 25CC were inserted by paragraph 95 of Schedule 9 to FA 2024. Articles 25CA and 25CC were amended by S.I. 2024/356, 2024/1012 and 2024/1167. Article 25CB was amended by S.I. 2024/356.

(**31**) "Trivial commutation lump sum" is defined in paragraph 7 of Schedule 29 to FA 2004.

(**32**) Section 637U of ITEPA 2003 was inserted by regulation 2(6) of these Regulations.

references in that section to a pension commencement lump sum included a stand-alone lump sum."

(8) In article 25D (stand-alone lump sums: further provisions)—

(a) in paragraph (2), omit the second sentence;

(b) for paragraph (3) substitute—

"(3) In paragraph (2) "the stand-alone lump sum maximum" means—

$$A - B$$

where—

"A" has the same meaning as in the modified paragraph 2 of Schedule 29 contained in paragraph 28(3) of Schedule 36;

"B" has the same meaning as in that modified paragraph 2, but reading references in it to a pension commencement lump sum as including a stand-alone lump sum."

The Financial Assistance Scheme (Tax) Regulations 2010

15.—(1) The Financial Assistance Scheme (Tax) Regulations 2010(**33**) are amended as follows.

(2) In regulation 4 (lump sum payments by the Financial Assistance Scheme), in paragraph (4), for the words from "in the definition" to the end substitute "for the purposes of that section—

(a) a lump sum paid to the individual under regulation 17D(**34**) were a "relevant lump sum"; and

(b) a payment made in respect of the individual under regulation 18A in the form of a lump sum were a "relevant lump sum death benefit"."

(3) In regulation 5 (application of relevant allowance provisions), omit paragraph (3)(za).

(4) Omit regulation 13A (information provided by or in relation to qualifying members to the FAS scheme manager in relation to the transitional tax-free amount certificates).

(5) For regulation 19 substitute—

"Transitional provisions: lump sums

19.—(1) Paragraph 2 of Schedule 29 to FA 2004 (registered pension schemes: authorised lump sums - supplementary)(**35**) as modified by paragraph 28(3) of Schedule 36 to that Act has effect, in relation to a qualifying member or deceased qualifying member, as if references to a pension commencement lump sum included a lump sum under regulation 17D.

(2) Part 6 of Schedule 9 to FA 2024(**36**) (transitional provision relating to abolition of lifetime charge) is modified as follows.

(3) Paragraph 126 (availability of individual's lump sum and death benefit allowance) has effect in relation to a qualifying member or deceased qualifying member as if before sub-paragraph (4)(a)(i) there were inserted—

"(zi) before 6 April 2024 a payment is made in respect of the individual under regulation 18A in the form of a lump sum,".

(**33**) S.I. 2010/1187. Regulations 4 and 19 were amended by, and sub-paragraph (za) of paragraph (3) of regulation 5 and regulations 13A, 20 and 21 were inserted by, S.I. 2024/1012.

(**34**) "Regulation 17D" and "regulation 18A" refer, respectively, to regulations 17D and 18A in the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986). Regulations 17D and 18A were inserted (amongst other provisions) by S.I. 2010/1149.

(**35**) 2004 c. 12. Paragraph 2 was substituted by paragraph 26 of Schedule 9 to FA 2024 and was amended by S.I. 2024/1012. Paragraph 28(3) of Schedule 36 was substituted by paragraph 83 of Schedule 9 to FA 2024.

(**36**) 2024 c. 3. Paragraphs 126, 128 and 129 were amended by S.I. 2024/356 and 2024/1012.

(4) Paragraph 128 (provision of information to members) has effect in relation to a qualifying member or deceased qualifying member as if after sub-paragraph (6)(a)(zi) there were inserted—

"(zii) before 6 April 2024 a payment is made in respect of the member under regulation 18A in the form of a lump sum,".

(5) Paragraph 129(1) (meaning of "lump sum transitional tax-free amount") has effect in relation to a qualifying member or deceased qualifying member as if before paragraph (a) there were inserted—

"(za) each lump sum under regulation 17D (if any) to which the member has, before 6 April 2024, become entitled,"."

(6) For regulation 20 (transitional tax-free amount certificates) substitute—

"**Certification administrators**

20. In Part 6 of Schedule 9 to FA 2024 (transitional provision relating to abolition of lifetime charge), in paragraph 129(5), the definition of "certification administrator" has effect in relation to a qualifying member or deceased qualifying member as if before paragraph (a) there were inserted—

"(za) the FAS scheme manager(**37**),".

Provision of information by qualifying members to FAS scheme manager

20A.—(1) Paragraph 127B of Schedule 9 to FA 2024 (provision of information by individuals to certification administrators)(**38**) is modified as follows.

(2) Sub-paragraphs (8A) to (8C)(**39**) have effect in relation to an individual becoming a qualifying member as they have effect in relation to an individual becoming a member of a pension scheme.

(3) In sub-paragraph (8B) (as it has effect by virtue of this regulation), the reference to the scheme administrator of the new pension scheme is to the FAS scheme manager."

(7) In regulation 21 (provision of information by FAS scheme manager to qualifying members)—

(a) in sub-paragraph (b)—

(i) after "reference to a" insert "member of a";

(ii) for "the FAS; and" substitute "a qualifying member"(**40**);

(b) omit sub-paragraph (c).

Christian Wakeford
Taiwo Owatemi
Two of the Lords Commissioners of His Majesty's Treasury

24th June 2026

(**37**) "FAS scheme manager" is defined in regulation 1(3) of S.I. 2010/1187.
(**38**) Paragraph 127B of Schedule 9 was inserted by S.I. 2024/1012. The definition of "certification administrator" was inserted by S.I. 2024/1012.
(**39**) Sub-paragraphs (8A) to (8C) were inserted by regulation 9(3) of these Regulations.
(**40**) "Qualifying member" is defined in regulation 1 of S.I. 2010/1197 by reference to regulation 15(1) of S.I. 2005/1986.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend and modify primary and subordinate legislation to make further consequential provision in connection with the removal of the lifetime allowance and the lifetime allowance charge by the Finance (No. 2) Act 2023 (c. 30) and the Finance Act 2024 (c. 3).

A reference in this Explanatory Note to "FA" followed by a year is a reference to a Finance Act of that year. A reference in this Explanatory Note to "ITEPA 2003" is a reference to the Income Tax (Earnings and Pensions) Act 2003 (c. 1).

The amendments made by regulations 2(6), 4(2), 12, and 14(4) to (7) of these Regulations have effect in relation to events occurring on or after 29th June 2026. The amendments made by the rest of these Regulations have effect for the tax year 2024-25 and for subsequent tax years.

Paragraph 134(2)(b) of Schedule 9 to FA 2024 allows regulations to be made after 5 April 2024 so as to have effect tax years 2024-25, 2025-26 and subsequent tax years. Regulations made under this paragraph may not be made after 30th June 2026 (paragraph 134(4) of Schedule 9 to FA 2024, as amended by section 59 of FA 2026 (c. 11)).

Part 2 of these Regulations contains provisions which amend primary legislation.

Regulation 2 amends section 574A of ITEPA 2003 as to relevant lump sums paid from an individual's overseas pension scheme. It also amends section 637Q, 637S and 637T of ITEPA to make provision about the amount of an individual's lump sum allowance on the occurrence of a relevant benefit crystallisation event, including where more than one such event occurs on the same day in relation to an individual. It also inserts a new section 637U into ITEPA 2003 which treats lump sums already paid by an overseas pension scheme as a relevant benefit crystallisation event for the purpose of calculating an individual's available allowances.

Regulation 3 amends section 255 of FA 2004 (c. 12) to allow the Commissioners for His Majesty's Revenue and Customs ("HMRC") to make regulations as to the making of assessments in respect of certain flexi-access drawdown lump sum death benefits under section 637M(2) of ITEPA 2003.

Regulation 4 amends Schedule 29 to FA 2004. Paragraph 8 of Schedule 29 is amended so that amounts transferred to a member's Qualifying Recognised Overseas Pension Scheme ("QROPS") after 6 April 2006 are included in the member's relevant crystallised rights for the purposes of calculating the value of a member's trivial commutation lump sum payment. The small lump sum payments specified in new sub-paragraph (3) of paragraph 8 are not included in this valuation.

It also amends paragraphs 12A and 16 of Schedule 29 to make consequential provision as to the availability of lump sum allowance and lump sum death benefit allowance.

Regulation 5 amends Schedule 36 to FA 2004. It amends the definition of "relevant protection provision" in each of paragraphs 18, 20A, 20B and 20E of Schedule 36 so that this has the meaning given in paragraph 20H(3) of that Schedule. It also amends paragraph 29 of Schedule 36 to substitute the method of calculating "the applicable amount" in relation to a defined benefits arrangement or a collective money purchase arrangement, and gives HMRC the power to make regulations as to the determination of the value of crystallised pension rights. It also amends paragraph 34 of Schedule 36 so that when calculating "the additional lump sum amount" in relation to a pension commencement lump sum the value of "F" in the calculation is either 1,073,100 or, if a relevant protection provision applies, the member's lump sum and death benefit allowance. It also amends paragraph 34A of Schedule 36 to make minor amendments to the modified version of section 637Q(6)(b) of ITEPA 2003.

Regulation 6 amends section 30 of the Income Tax Act 2007 (c. 3) to omit section 214 of FA 2004 from provisions included in the calculation of a person's income tax (section 214 imposed the lifetime allowance charge and was repealed by FA 2024).

Regulation 7 makes minor amendments to Schedule 6 to FA 2014 (c. 26), as to transitional protections relating to the new standard lifetime allowance.

Regulation 8 makes minor amendments to Schedule 4 to FA 2016 (c. 24) as to transitional protections relating to the lump sum allowance and the lump sum and death benefit allowance.

Regulation 9 amends Schedule 9 to FA 2024. Paragraph 127A of Schedule 9 is amended so that individuals with enhanced protection have the full amount of the member's overseas transfer allowance available, and to make provision as to the reduction of the individual's lifetime allowance previously-used amount where one or more crystallised drawdown amounts are attributable to benefit crystallisation events occurring before 6th April 2024. Paragraph 127B is amended to require individuals issued with a transitional tax-free certificate who subsequently become a member of a new pension scheme to send a copy of the certificate to the scheme administrator of the new pension scheme. Paragraph 129 is amended to substitute a new provision in the calculation of the lifetime allowance previously-used amount.

Part 3 of these Regulations contains provisions which amend subordinate legislation.

Regulation 10 makes minor amendments to the Pension Sharing (Pension Credit Benefit) Regulations 2000 (S.I. 2000/1054) as to pension credit benefit in lump sum form.

Regulation 11 makes amendments to the Registered Pension Schemes (Accounting and Assessment) Regulations 2005 (S.I. 2005/3454) which are consequent on the amendments made to FA 2004 by regulation 3 of these Regulations.

Regulation 12 amends regulation 14ZC of the Registered Pension Schemes (Provision of Information) Regulations (S.I. 2006/567) to require pension scheme administrators of transferring schemes to provide the scheme administrator of the recipient scheme with certain information on a recognised transfer to the recipient scheme. This requirement applies where either the member is entitled to a stand-alone lump sum under the transferring scheme immediately before the transfer, or at some time in the future would become entitled to such a lump sum under any such arrangement.

Regulation 13 amends Schedules 1 and 2 to the Registered Pension Schemes and Overseas Pension Schemes (Electronic Communication of Returns and Information) Regulations 2006 (S.I. 2006/570) to require (in the case of information referred to in Schedule 1) and to allow (in the case of information referred to in Schedule 2) information which is to be provided in event reports to be supplied to HMRC by electronic means.

Regulation 14 amends certain modifications made to Schedules 29 and 36 of FA 2004 by the Taxation of Pensions (Transitional Provisions) Order 2006 (S.I. 2006/572) relating to the calculation of trivial commutation lump sums and stand-alone lump sums.

Regulation 15 amends the Financial Assistance Scheme (Tax) Regulations 2010 (S.I. 2010/1187) ("the 2010 Regulations"). It amends the definition of "lump sum" in relation to lump sums paid by the Financial Assistance Scheme, substitutes regulations 19 and 20 and inserts a new regulation 20A into the 2010 Regulations to make transitional provision in relation to such lump sums and as to the provision of information by scheme members and scheme managers.

A TIIN was published on 29th July 2024 for the Finance Act 2024 and can be found here: https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins. No separate TIIN has been prepared for this instrument.