

Table of contents

Other titles from Claritax Books.....	iv
About the author.....	v
Abbreviations.....	vi

1. The tax benefits of registration

1.1	Overview	1
1.2	Statutory definitions of a pension scheme.....	2
1.3	Features of a registered pension scheme	5
1.4	Registration of pension schemes	6
1.5	Registration – transition in 2006.....	11
1.6	The benefits of registration	13
1.7	Disclosure of tax avoidance schemes	15
1.8	Key features	16
1.9	Terminology and FA 2004	25
1.10	Other categorisations.....	26
1.11	What makes pension schemes different from other forms of saving?	31
1.12	Death benefits	34
1.13	The approach of tax legislation.....	35
1.14	Schemes that are not registered.....	36
1.15	General tax and tax avoidance measures.....	38
1.16	Recent history	38
1.17	The state scheme and the pension credit	41

2. Contributions and input

2.1	Overview	47
2.2	The controls on input.....	47
2.3	The annual limit for relief	48
2.4	Employer contributions.....	65
2.5	The annual allowance	72
2.6	Input and defined benefit schemes	83
2.7	Input and input periods	86
2.8	Relationship between annual and special annual allowance	90
2.9	Taking all benefits	90
2.10	Carry-forward of allowance	91
2.11	Changes to the charge and the “scheme pays” facility	92
2.12	Input periods and planning	95
2.13	Changes to the annual allowance: 2015 summer Budget	96
2.14	Sacrificing remuneration.....	101
2.15	Recycling	104
2.16	AVCs and freestanding AVCs.....	105
2.17	<i>In specie</i> contributions.....	106

3. The lifetime allowance

3.1	Introduction.....	112
3.2	What the lifetime allowance is and how it works	113
3.3	Benefit crystallisation events	116

3.4	The value of scheme pensions.....	123
3.5	Separate lump sums	125
3.6	Cumulative use of the allowance.....	125
3.7	Retaining funds.....	126
3.8	Pre-6 April 2006 crystallisations	129
3.9	Overlap.....	130
3.10	Enhancing the lifetime allowance	133
3.11	Special occupations and the reduced lifetime allowance	139
3.12	Fixed and individual protection.....	140
3.13	Pension credits (dissolution of marriage).....	150
3.14	Drawdown pensions.....	151
3.15	Transitional protection	152
4. Taxation of member benefits		
4.1	Pensions and lump sums as authorised payments	157
4.2	When can benefits be paid?.....	159
4.3	Early retirement due to incapacity.....	163
4.4	Special occupations.....	166
4.5	Taxation of pension	168
4.6	Scheme pensions.....	171
4.7	Pension annuities	178
4.8	Drawdown pensions.....	185
4.9	Capped drawdown.....	191
4.10	Temporary periods of non-residence	195
4.11	The benefits and drawbacks of drawdown.....	196
4.12	Lump sum benefits.....	201
4.13	Pension commencement lump sum: permitted maximum	204
4.14	Protected lump sums	206
4.15	Recycling	214
4.16	Retirement guidance	217
5. Death benefits		
5.1	Background – authorised payments.....	219
5.2	Death benefits and the lifetime allowance	220
5.3	Available death benefits.....	226
5.4	Dependants	232
5.5	Dependants’ drawdown pensions	234
5.6	Drawdown for children – transitional protection.....	236
5.7	Dependants’ and other beneficiaries’ pensions – restrictions	239
5.8	Pension guarantees (terms certain)	243
5.9	Lump sum death benefits.....	245
5.10	Transitional protection issues.....	251
6. Transfers and refunds		
6.1	Overview	258
6.2	What transfers are allowed?	266
6.3	Transfer of contracted-out rights and safeguards	267
6.4	Calculation of the transfer value	268
6.5	Member has enhanced or primary protection.....	270
6.6	Lump sum protection.....	271
6.7	Protected pension ages	274

6.8	Classification of registered pension schemes	274
6.9	Transfers to QROPS	275
6.10	Assignment of a policy.....	280
6.11	Pension Protection Fund	280
6.12	The nature of a transfer	280
6.13	Member rights.....	281
6.14	Three-month transfer values.....	282
6.15	Transfer deadlines	283
6.16	The right to a transfer value.....	283
6.17	Transfers and dissolution of marriage.....	284
6.18	Crystallised benefits	285
6.19	Pensions in payment	286
6.20	Direct payment to insurance company.....	290
6.21	Cooling off.....	291
7.	Pension scheme lump sums and authorised payments	
7.1	Lump sums as authorised payments	292
7.2	The pension commencement lump sum	293
7.3	Serious ill-health lump sum.....	300
7.4	The uncrystallised funds pension lump sum	302
7.5	Short service lump sum: occupational pension schemes	304
7.6	Refund of excess contributions lump sum	306
7.7	Trivial commutation lump sum	307
7.8	Winding-up lump sum	309
7.9	Lifetime allowance excess lump sum	310
7.10	Other small lump sums (“small pots”)	311
7.11	Scheme administration payments	317
7.12	Specific unauthorised payments	324
7.13	Unauthorised payments – tax.....	327
8.	Investments	
8.1	The purpose of investment.....	336
8.2	Main areas for consideration	337
8.3	Investment-regulated schemes.....	337
8.4	Benefits in kind.....	338
8.5	Loans from pension schemes.....	340
8.6	Borrowing.....	345
8.7	Equities	346
8.8	Value shifting.....	348
8.9	Taxable property	349
8.10	Employer finance.....	372
8.11	Flexibility of investment-regulated schemes (SIPP and SSAS).....	375
8.12	Transitional protection	377
8.13	SIPPs and the FCA.....	377
8.14	VAT and pension investments.....	379
8.15	Stamp duty.....	385
9.	International aspects and the lifetime allowance	
9.1	Scope of international aspects	387
9.2	Enhancing the lifetime allowance	387
9.3	Migrant member relief	393

9.4	What is a qualifying recognised overseas pension scheme?	400
9.5	Qualifying non-UK pension schemes (QNUPS).....	419
9.6	Double taxation agreements and tax relief.....	421
9.7	Tax charges and non-UK schemes	423
9.8	Lifetime allowance	425
10.	Death benefits and inheritance tax	
10.1	Introduction.....	429
10.2	Pension schemes and IHT	431
10.3	Increased HMRC interest.....	432
10.4	The structure of a pension scheme	433
10.5	The IHT implications on pension funds	435
10.6	Lump sum death benefits.....	448
10.7	By-pass trusts.....	458
10.8	By-pass trusts – IHT implications after death of settlor	459
11.	Transitional protection	
11.1	The need for transitional measures	468
11.2	Previous regimes – a summary.....	469
11.3	The transitional provisions	471
11.4	Primary protection.....	476
11.5	Enhanced protection	478
11.6	Lump sum protection.....	484
11.7	Valuing lump sum benefits at 5 April 2006	486
11.8	Occupational schemes – lump sum valuation.....	487
11.9	Enhanced protection – mixing the rules	489
11.10	Stand-alone lump sums and enhanced protection	489
11.11	Scheme-specific lump sums	491
12.	Employer-financed retirement benefit schemes	
12.1	Background	503
12.2	The 2011 changes.....	504
12.3	EFRBS as third-party remuneration (Part 7A).....	505
12.4	Unfunded schemes.....	506
12.5	Transactions that generate liability	507
12.6	The <i>Finance Act 2017</i>	508
12.7	Employment income through third parties	508
12.8	The structure of the rules.....	509
12.9	Taxation of EFRBS since 6 April 2011.....	514
12.10	Transition.....	516
12.11	Excepted group life policies	517
	Table of primary legislation	521
	Table of statutory instruments	531
	Index of cases	533
	General index	535