House of Commons

NOTICES OF AMENDMENTS

given on

Thursday 26 June 2014

For other Amendment(s) see the following page(s) of Supplement to Votes: 247-68 *and* 269-302

CONSIDERATION OF BILL

FINANCE BILL, AS AMENDED

Mr Chancellor of the Exchequer

NC13

To move the following Clause—

"Pension flexibility: further amendments

Schedule (*Pension flexibility: further amendments*) makes further provision in connection with pension flexibility."

Mr Chancellor of the Exchequer

NS5

To move the following Schedule—

"PENSION FLEXIBILITY: FURTHER AMENDMENTS

Temporary extension of period by which commencement lump sum may precede pension

1 In Schedule 29 to FA 2004 (authorised lump sums under registered pension schemes) after paragraph 1 (conditions for a lump sum to be a pension commencement lump sum) insert—

"1A (1) Paragraph 1(1)(c) is to be omitted when deciding whether a lump sum to which this paragraph applies is a pension commencement lump sum.

(2) This paragraph applies to a lump sum if—

(a) the sum is paid in respect of a money purchase arrangement,

(b) the sum is paid before the member becomes entitled to the sum,

(c) either—

(i) the sum is paid on or after 19 September 2013 but before 6 April 2015, or

(ii) the sum is paid before 19 September 2013, a contract for a lifetime annuity is entered into to provide the pension in connection with which the sum is paid, and on or after 19 March 2014 the contract is cancelled, and

(d) the member becomes entitled to the sum before 6 October 2015.

(3) Where—

(a) a lump sum to which this paragraph applies is a pension commencement lump sum but would not be a pension commencement lump sum if sub-paragraph (1) were omitted, and

(b) the lump sum is paid to the member in connection with a pension under the scheme to which it is expected that the member will become entitled ("the expected pension"),

no lump sum paid to the member out of the expected-pension fund is a pension commencement lump sum; and here "the expected-pension fund" means the sums and assets that from time to time represent the sums and assets that, when the lump sum mentioned in paragraph (a) was paid, were held for the purpose of providing the expected pension.

(4) For the purposes of sub-paragraph (2), if the circumstances are as described in sub-paragraph (2)(c)(ii), the member is treated as not having become entitled to the arranged pension as a result of the cancelled contract having been entered into; and here "the arranged pension" means the pension that would have been provided by that contract had it not been cancelled."

Temporary relaxation to allow transfer of pension rights after lump sum paid

2 (1) In Schedule 29 to FA 2004 after paragraph 1A insert—

"1B (1) When deciding whether a lump sum to which this paragraph applies is a pension commencement lump sum—

(a) paragraph 1(1)(aa) and (c) and (3) are to be omitted,

(b) paragraph 1(4) is to be treated as referring to the actual pension (see sub-paragraph (2)(h) of this paragraph), and

(c) paragraph 2(2) is to be treated as referring to the arrangement under which the member was expected to become entitled to the expected pension (see sub-paragraph (2)(b) of this paragraph).

(2) This paragraph applies to a lump sum if—

(a) the sum is paid in respect of a money purchase arrangement,

(b) the sum is paid to the member in connection with a pension under a registered pension scheme to which it is expected that the member will become entitled ("the expected pension"),

(c) the expected pension is income withdrawal, a lifetime annuity or a scheme pension,

(d) the sum is paid before the member becomes entitled to the expected pension,

(e) either—

(i) the sum is paid on or after 19 September 2013 but before 6 April 2015, or

(ii) the sum is paid before 19 September 2013, a contract for a lifetime annuity is entered into to provide the expected pension, and on or after 19 March 2014 the contract is cancelled,

(f) the sum is not repaid at any time before 6 October 2015,

(g) before the member becomes entitled to the expected pension, there is a recognised transfer of the sums and assets that immediately before the transfer represent the sums and assets that when the sum was paid were held for the purpose of providing the expected pension,

(h) the member becomes entitled before 6 October 2015 to a pension under the scheme to which the recognised transfer is made ("the actual pension"),

(i) the actual pension is income withdrawal, a lifetime annuity or a scheme pension, or some combination of them, and

(j) all of the sums and assets that represent the sums and assets transferred by the recognised transfer are used to provide the actual pension.

(3) If a lump sum to which this paragraph applies is a pension commencement lump sum, any lump sum paid—

(a) to the member,

(b) by the scheme to which the recognised transfer mentioned in sub-paragraph (2)(g) is made or by any other registered pension scheme (including the scheme from which the transfer was made), and

(c) in connection with the member's becoming entitled to the actual pension,

is not a pension commencement lump sum.

(4) For the purposes of sub-paragraph (2), if the circumstances are as described in sub-paragraph (2)(e)(ii), the member is treated as not having become entitled to the expected pension as a result of the cancelled contract having been entered into."

(2) In section 166(2) of FA 2004 (time at which a person becomes entitled to a lump sum)—

(a) before paragraph (a) insert—

"(za) in the case of a pension commencement lump sum to which paragraph 1B of Schedule 29 applies (certain sums paid before 6 April 2015), immediately before the person becomes entitled to the actual pension (see paragraph 1B(2)(h) of that Schedule),", and

(b) in paragraph (a) for "of a" substitute "of any other".

Temporary relaxation to allow lump sum to be repaid to pension scheme that paid it

3 In Chapter 3 of Part 4 of FA 2004 (payments by registered pension schemes) after section 185I insert—

Finance Bill, *continued*

"Repayments of lump sums

185J Effect of repayment of certain pre-6 April 2015 lump sums

(1) For the purposes of this Part—

(a) a lump sum to which this section applies is treated as never having been paid, and

(b) the payment by which it is repaid is treated as not being a payment.

(2) This section applies to a lump sum if—

(a) the sum is paid by a registered pension scheme to a member of the scheme in respect of a money purchase arrangement,

(b) the sum is paid to the member in connection with a pension under the scheme to which it is expected that the member will become entitled ("the expected pension"),

(c) the expected pension is income withdrawal, a lifetime annuity or a scheme pension,

(d) the sum is paid before the member becomes entitled to the expected pension,

(e) either—

(i) the sum is paid on or after 19 September 2013 but before 6 April 2015, or

(ii) the sum is paid before 19 September 2013, a contract for a lifetime annuity is entered into to provide the expected pension, and on or after 19 March 2014 the contract is cancelled,

(f) before the member becomes entitled to the expected pension, the member repays the sum to the pension scheme that paid it, and

(g) the repayment is made before 6 October 2015.

(3) For the purposes of subsection (2), if the circumstances are as described in subsection (2)(e)(ii), the member is treated as not having become entitled to the expected pension as a result of the cancelled contract having been entered into."

Calculation of "applicable amount" in certain cases

4 In paragraph 3 of Schedule 29 to FA 2004 (pension commencement lump sums: applicable amount) after sub-paragraph (8) insert—

"(8A) Sub-paragraphs (1) to (8) have effect subject to the following—

(a) if—

(i) paragraph 1A or 1B applies to the lump sum,

(ii) the lump sum is paid more than 6 months before the day on which the member becomes entitled to it,

(iii) a contract for a lifetime annuity is entered into to provide the pension in connection with which the lump sum is paid, and

(iv) on or after 19 March 2014 the contract is cancelled,

the applicable amount is one third of the annuity purchase price that would have been given by sub-paragraphs (4) to

(5) in the case of that annuity had the contract not been cancelled, and

(b) if—

(i) paragraph 1A or 1B applies to the lump sum,

(ii) the lump sum is paid more than 6 months before the day on which the member becomes entitled to it, and

(iii) paragraph (a) does not apply,

the applicable amount is one third of the sums, plus one third of the then market value of the assets, held at the time the lump sum is paid for the purpose of providing the pension at that time expected to be the pension in connection with which the lump sum is paid.

(8B) For the purposes of sub-paragraph (8A)(a)(ii), the member is treated as not having become entitled to a pension as a result of the cancelled contract having been entered into."

Expected pension commencement lump sums treated as trivial commutation lump sums

5 (1) In section 166(1) of FA 2004, in the lump sum rule, omit the "or" after paragraph (f), and after paragraph (g) insert ", or

(h) a transitional 2013/14 lump sum."

(2) In Schedule 29 to FA 2004, after paragraph 11 insert—

"*Transitional 2013/14 lump sum, and its related trivial commutation lump sum*

11A (1) A lump sum is a transitional 2013/14 lump sum for the purposes of this Part if—

(a) the sum ("the earlier sum") is paid to the member in connection with a pension under a registered pension scheme to which it is expected that the member will become entitled ("the expected pension"),

(b) the earlier sum is paid before the member becomes entitled to the expected pension,

(c) either—

(i) the earlier sum is paid on or after 19 September 2013 but before 27 March 2014, or

(ii) the earlier sum is paid before 19 September 2013, a contract for a lifetime annuity is entered into to provide the expected pension, and on or after 19 March 2014 the contract is cancelled,

(d) all of the sums and assets for the time being representing the sums and assets that when the earlier sum was paid were held for the purpose of providing the expected pension are, before the member becomes entitled to the expected pension, used in paying a further lump sum to the member ("the further sum"),

(e) the further sum is paid on or after 6 July 2014 but before 6 April 2015, and

(f) the further sum is a trivial commutation lump sum (see sub-paragraph (2)).

Finance Bill, *continued*

(2) Sub-paragraph (4) applies when deciding under paragraph 7 whether the further sum is a trivial commutation lump sum in a case where the earlier sum is paid before the nominated date (see paragraph 7(3) for the meaning of "the nominated date").

(3) If the earlier sum is a transitional 2013/14 lump sum, and the earlier sum and the further sum are not the only lump sums paid under registered pension schemes to the member, sub-paragraph (4) applies when deciding under paragraph 7 whether any other lump sum paid under a registered pension scheme to the member is a trivial commutation lump sum.

(4) If this sub-paragraph applies, the payment of the earlier sum is to be treated for the purposes of paragraph 8(1)(b) as a benefit crystallisation event—

(a) which occurs when the earlier sum is paid, and

(b) on which the amount crystallised is the amount of the earlier sum.

(5) If the earlier sum is a transitional 2013/14 lump sum, and only the sums and assets mentioned in sub-paragraph (1)(d) are used in paying the further sum, section 636B of ITEPA 2003 applies in relation to the further sum with the omission of its subsection (3).

(6) If the earlier sum is a transitional 2013/14 lump sum, and the sums and assets mentioned in sub-paragraph (1)(d) are used together with other sums and assets in paying the further sum—

(a) section 636B of ITEPA 2003 applies in relation to the further sum as if instead of the further sum there were two separate trivial commutation lump sums as follows—

(i) one ("the first part of the further sum") consisting of so much of the further sum as is attributable to the sums and assets mentioned in sub-paragraph (1)(d), and

(ii) another consisting of the remainder of the further sum,

(b) the first part of the further sum is to be treated for the purposes of section 636B of ITEPA 2003 as having been paid immediately before the remainder of the further sum,

(c) section 636B of ITEPA 2003 applies in relation to the first part of the further sum with the omission of its subsection (3), and

(d) for the purposes of applying section 636B(3) of ITEPA 2003 in relation to the remainder of the further sum, the rights to which the first part of the further sum relates are to be treated as rights that are not uncrystallised rights immediately before the remainder of the further sum is paid.

(7) For the purposes of sub-paragraph (1), if the circumstances are as described in sub-paragraph (1)(c)(ii), the member is treated as not having become entitled to the expected pension as a result of the cancelled contract having been entered into."

(3) In section 636A of ITEPA 2003 (income tax exemption for certain lump sums)—

(a) in subsection (1) after paragraph (c) insert—

Finance Bill, *continued*

"(ca) a transitional 2013/14 lump sum,", and

(b) in subsection (6) (definitions) omit the "and", and after ""short service refund lump sum"," insert "and

"transitional 2013/14 lump sum",".

(4) In section 280(2) of FA 2004 (index of expressions) at the appropriate place insert—

"transitional 2013/14 lump sum	paragraph 11A of Schedule 29".

Small pot lump sums

6 (1) In the Registered Pension Schemes (Authorised Payments) Regulations 2009 (S.I. 2009/1171) after regulation 3 insert—

"3A (1) This regulation applies to a lump sum if—

(a) the sum ("the earlier sum") is paid under a registered pension scheme to a member of the scheme,

(b) the earlier sum is paid to the member in connection with a pension under a registered pension scheme to which it is expected that the member will become entitled ("the expected pension"),

(c) the earlier sum is paid before the member becomes entitled to the expected pension,

(d) either—

(i) the earlier sum is paid on or after 19 September 2013 but before 27 March 2014, or

(ii) the earlier sum is paid before 19 September 2013, a contract for a lifetime annuity is entered into to provide the expected pension, and on or after 19 March 2014 the contract is cancelled,

(e) all of the sums and assets for the time being representing the sums and assets that when the earlier sum was paid were held for the purpose of providing the expected pension are, before the member becomes entitled to the expected pension, used in paying a further lump sum to the member ("the further sum"),

(f) the further sum is paid on or after 6 July 2014 but before 6 April 2015, and

(g) either—

(i) the payment of the further sum is a payment described in regulation 11, 11A or 12, or

(ii) the further sum is a trivial commutation lump sum within paragraph 7A of Schedule 29 and the earlier sum is the pension commencement lump sum in connection with which the further sum is paid.

(2) If this regulation applies to the earlier sum, and the payment of the further sum is a payment described in regulation 11, 11A or 12—

(a) the payment of the earlier sum is a payment of a prescribed description for the purposes of section 164(1)(f), and

(b) section 636A of ITEPA 2003 (exemption from income tax for certain lump sums) applies in relation to the earlier sum as if the earlier sum were a pension commencement lump sum.

(3) When deciding for the purposes of this regulation whether the further sum is a trivial commutation lump sum within paragraph 7A of Schedule 29, sub-paragraph (2)(c) of that paragraph is to be omitted.

(4) If this regulation applies to the earlier sum, and only the sums and assets mentioned in paragraph (1)(e) are used in paying the further sum, section 636B of ITEPA 2003 applies in relation to the further sum with the omission of its subsection (3).

(5) If this regulation applies to the earlier sum, and the sums and assets mentioned in paragraph (1)(e) are used together with other sums and assets in paying the further sum—

(a) section 636B of ITEPA 2003 applies in relation to the further sum as if instead of the further sum there were two separate trivial commutation lump sums as follows—

(i) one ("the first part of the further sum") consisting of so much of the further sum as is attributable to the sums and assets mentioned in paragraph (1)(e), and

(ii) another consisting of the remainder of the further sum,

(b) the first part of the further sum is to be treated for the purposes of section 636B of ITEPA 2003 as having been paid immediately before the remainder of the further sum,

(c) section 636B of ITEPA 2003 applies in relation to the first part of the further sum with the omission of its subsection (3), and

(d) for the purposes of applying section 636B(3) of ITEPA 2003 in relation to the remainder of the further sum, the rights to which the first part of the further sum relates are to be treated as rights that are not uncrystallised rights immediately before the remainder of the further sum is paid.

(6) For the purposes of paragraph (1), if the circumstances are as described in paragraph (1)(d)(ii), the member is treated as not having become entitled to the expected pension as a result of the cancelled contract having been entered into."

(2) The amendment made by sub-paragraph (1) is to be treated as having been made by the Commissioners for Her Majesty's Revenue and Customs under the powers to make regulations conferred by section 164(1)(f) and (2) of FA 2004.

Preservation of protected pension age following certain transfers of pension rights

7 (1) In paragraph 22 of Schedule 36 to FA 2004 (protection of rights to take benefit before normal minimum pension age) after sub-paragraph (6) insert—

"(6A) A transfer is also a block transfer if—

(a) it involves the transfer in a single transaction of all the sums and assets held for the purposes of, or representing accrued rights under, the arrangements under the pension scheme from which the transfer is made which relate to the member,

(b) the transfer takes place—

(i) on or after 19 March 2014, and

(ii) before 6 April 2015, and

(c) the date mentioned in sub-paragraph (7)(a) is before 6 October 2015.”

(2) In paragraph 23(6) of Schedule 36 to FA 2004 (meaning of “block transfer”) after “22(6)” insert “and (6A), but for this purpose paragraph 22(6A)(c) is to be read as if its reference to paragraph 22(7)(a) were a reference to sub-paragraph (7) of this paragraph”.

Operation of enhanced protection of pre-6 April 2006 rights to take lump sums

8 In paragraph 29 of Schedule 36 to FA 2004 (modifications of paragraph 3 of Schedule 29 to FA 2004 for cases where there is enhanced protection) after sub-paragraph (3) insert—

“(4) Paragraph 3 applies as if in sub-paragraph (8A)(a) for “is one third of” there were substituted “is—

$$\frac{\text{VULSR}}{\text{VUR}} \times (\text{LS} + \text{CAPP})$$

where VULSR, VUR and LS have the same meaning as in sub-paragraph (1), and CAPP is”.

(5) Paragraph 3 applies as if in sub-paragraph (8A)(b) for “is one third of the sums, plus one third of” there were substituted “is—

$$\frac{\text{VULSR}}{\text{VUR}} \times (\text{LS} + \text{EP})$$

where VULSR, VUR and LS have the same meaning as in sub-paragraph (1), and EP is the total of the sums, and”.”

Protected lump sum entitlement following certain transfers of pension rights

9 In paragraph 31(8) of Schedule 36 to FA 2004 (“block transfer” has meaning given by paragraph 22(6) of Schedule 36 to FA 2004)—

(a) after “22(6)” insert “and (6A)”, and

(b) at the end insert “, and reading paragraph 22(6A)(c) as if its reference to paragraph 22(7)(a) were a reference to sub-paragraph (3) of this paragraph.”

10 (1) In paragraph 34(2) of Schedule 36 to FA 2004 (modifications required by paragraph 31 in cases involving protected entitlements to lump sums) the sub-paragraphs treated as substituted in paragraph 2 of Schedule 29 to FA 2004 are amended as follows.

(2) In the substituted sub-paragraph (7A), in the definition of AC, for “(7AA) and (7B))” substitute “(7AA) to (7B))”.

(3) After the substituted sub-paragraph (7AA) insert—

“(7AB) Where paragraph 1A applies to the lump sum, AC is the total of—

(a) the sums held, at the time the lump sum is paid, for the purpose of providing the pension at that time expected to be the pension in connection with which the lump sum is paid, and

Finance Bill, *continued*

(b) the market value at that time of the assets held at that time for that purpose.

(7AC) Where paragraph 1B applies to the lump sum, AC is the total of—

(a) the sums held, at the time the lump sum is paid, for the purpose of providing the expected pension (see paragraph 1B(2)(b)), and

(b) the market value at that time of the assets held at that time for that purpose.”

Reporting obligations

11 (1) In the Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567) after regulation 18 insert—

“*Modified operation of these Regulations in the case of certain pre-6 April 2015 lump sums*

19 Lump sums to which paragraph 1B of Schedule 29 applies

(1) Regulations 3 to 18 have effect subject to the following provisions of this regulation.

(2) Paragraphs (3) to (8) apply if—

(a) a lump sum is paid by a registered pension scheme (“the paying scheme”) to a member of the scheme,

(b) paragraph 1B of Schedule 29 applies to the lump sum, and

(c) the member’s becoming entitled to the actual pension mentioned in paragraph 1B(2)(h) of Schedule 29 has the effect that—

(i) the member also becomes entitled to the lump sum, and

(ii) the member’s becoming entitled to the lump sum is a benefit crystallisation event.

(3) For the purposes of—

(a) reportable event 6,

(b) regulation 3 so far as applying by virtue of that event, and

(c) obligations under regulation 14(1),

the benefit crystallisation event mentioned in paragraph (2)(c)(ii) is treated as occurring—

(i) in respect of the scheme to which the transfer mentioned in paragraph 1B(2)(g) of Schedule 29 was made (“the receiving scheme”) and not in respect of the paying scheme, and

(ii) when the member becomes entitled to the actual pension or, if later, on 5 August 2014.

(4) For the purposes of regulations 15(2)(a) and 17(5)(a)(i) and (7)(a)(i), that benefit crystallisation event is treated as occurring in respect of the receiving scheme and not in respect of the paying scheme.

(5) For the purposes of—

(a) reportable event 7 (but not its definition of “the entitlement amount”),

(b) reportable event 8, and

(c) regulation 3 so far as applying by virtue of either of those events,

the lump sum is treated as having been paid—

(i) by the receiving scheme and not by the paying scheme, and

(ii) when the member becomes entitled to the actual pension or, if later, on 5 August 2014.

(6) For the purposes of reportable event 7 "the entitlement amount" is the total of—

(a) the sums held, at the time the lump sum is actually paid, for the purpose of providing the expected pension mentioned in paragraph 1B(2)(b) of Schedule 29, and

(b) the market value at that time of the assets held at that time for that purpose.

(7) The scheme administrator of the paying scheme is to provide the scheme administrator of the receiving scheme with the following information—

(a) the date the lump sum was paid,

(b) the amount of the lump sum,

(c) the total of—

(i) the sums held, at the time lump sum is paid, for the purpose of providing the expected pension mentioned in paragraph 1B(2)(b) of Schedule 29, and

(ii) the market value at that time of the assets held at that time for that purpose, and

(d) a statement that no further pension commencement lump sum may be paid in connection with that expected pension.

(8) The scheme administrator of the paying scheme is to comply with its obligations under paragraph (7) before—

(a) the end of 30 days beginning with the date of the transfer mentioned in paragraph 1B(2)(g) of Schedule 29, or

(b) if later, the end of 3 September 2014.

20 Lump sums to which paragraph 1B of Schedule 29 fails to apply

(1) Regulations 3 to 18 have effect subject to the following provisions of this regulation.

(2) Paragraph (3) applies if—

(a) a lump sum is paid by a registered pension scheme ("the paying scheme") to a member of the scheme,

(b) paragraph 1B of Schedule 29 does not apply to the lump sum, but the conditions in paragraph 1B(2)(a) to (g) are met in the case of the lump sum, and

(c) as at the end of 5 October 2015 it is the case that the lump sum is to be taken as having been an unauthorised member payment.

(3) For the purposes of reportable event 1, and regulation 3 so far as applying by virtue of that event, the lump sum is treated as having been paid—

(a) by the receiving scheme and not by the paying scheme, and

(b) on 6 October 2015."

Finance Bill, *continued*

(2) The amendment made by sub-paragraph (1) is to be treated as having been made by the Commissioners for Her Majesty's Revenue and Customs under such of the powers cited in the instrument containing the Regulations as are applicable.

Scheme sanction charges

12 (1) In section 239(3) of FA 2004 (cases where person other than scheme administrator is liable for a scheme sanction charge)—

(a) after "But" insert "—

(a) ", and

(b) at the end insert ", and

(b) in the case of a payment of a lump sum to a member where the conditions in paragraphs 1(1)(b) and (d) and 1B(2)(a) to (g) of Schedule 29 are met, the person liable to the scheme sanction charge so far as relating to any part of the lump sum within the permitted maximum is the scheme administrator of the registered pension scheme to which the transfer mentioned in paragraph 1B(2)(g) of Schedule 29 is made."

(2) In section 239 of FA 2004 (scheme sanction charges) after subsection (3) insert—

"(3A) For the purposes of subsection (3)(b) "the permitted maximum", in the case of a lump sum paid to an individual, is the amount that in accordance with paragraph 2 of Schedule 29 would be the permitted maximum for that lump sum if the individual became entitled at the time the lump sum is paid to the pension at that time expected to be the pension in connection with which the lump sum is paid."

(3) In section 268 of FA 2004 (discharge of liability to scheme sanction charges etc) after subsection (7) insert—

"(7A) Subsection (7) applies with the omission of its paragraph (a) if the scheme chargeable payment is a payment of a lump sum where the conditions in paragraph 1B(2)(a) to (g) of Schedule 29 are met."

(4) In the Taxation of Pension Schemes (Transitional Provisions) Order 2006 (S.I. 2006/572) in article 18 (which provides for paragraph 1(1)(b) of Schedule 29 to FA 2004 to be omitted in certain cases) at the end insert ", and section 239 has effect in the case of a lump sum paid to that individual as if its subsection (3)(b) did not include a reference to paragraph 1(1)(b) of Schedule 29".

(5) The amendment made by sub-paragraph (4) is to be treated as made by the Treasury under the powers to make orders conferred by section 283(2) of FA 2004.

Power to make further adjustments

13 In section 166 of FA 2004 (payments by registered pension schemes: the lump sum rule) after subsection (4) insert—

"(5) The Commissioners for Her Majesty's Revenue and Customs may by regulations amend Part 1 of Schedule 29, or Part 3 of Schedule 36, in connection with cases involving a lump sum within subsection (6).

(6) A lump sum is within this subsection if—

Finance Bill, *continued*

(a) the sum is paid on or after 19 September 2013 and before 6 April 2015, or

(b) the sum is paid before 19 September 2013, a contract for a lifetime annuity is entered into to provide the pension in connection with which the sum is paid, and on or after 19 March 2014 the contract is cancelled.

(7) The provision that may be made under subsection (5) includes provision altering the effect of amendments made by the Finance Act 2014."

14 In section 282(1) and (2) of FA 2004 (making of regulations and orders) for "Board of Inland Revenue" substitute "Commissioners for Her Majesty's Revenue and Customs".

Commencement

15 The amendments made by paragraphs 1 to 5, 6(1), 7 to 10, 11(1) and 12(1) to (4) of this Schedule are to be treated as having come into force on 19 March 2014."

Ed Balls
Chris Leslie
Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

NC14

To move the following Clause—

"Report on the additional rate of income tax

(1) The Chancellor of the Exchequer shall, within three months of the passing of this Act, publish a report on the additional rate of income tax.

(2) The report shall set out the impact upon Exchequer receipts of setting the additional rate at 50 per cent in the tax year 2015-16.

(3) The report shall set out the impact of reducing the additional rate for 2013-14 on the amount of income tax paid by—

(a) all people who are liable for the additional rate;

(b) those with taxable incomes of over £250,000 per year; and

(c) those with taxable incomes of over £1,000,000 per year.

(4) The report shall set out the impact of the reduction in the additional rate for 2013-14 on the level of bonuses awarded in April 2013 to employees in the financial sector."

NOTICES WITHDRAWN

The following Notices were withdrawn on 26 June 2014:

NC8.