NEW CLAUSES

Cathy Jamieson

To move the following Clause—

“Impact on Government revenues

(1) The Chancellor of the Exchequer shall, within a period of no more than two years from 6 April 2015, publish and lay before the House of Commons a review of the impact of the changes made by this Act to the Finance Act 2004 and the Income Tax (Earnings and Pensions) Act 2003 on Government revenue, with particular reference to opportunities for tax and national insurance contributions avoidance.

(2) The information published under subsection (1) should include an assessment of the impact of this Act on—

(a) the use of salary sacrifice arrangements;
(b) income tax receipts; and
(c) national insurance contributions.”

Cathy Jamieson

To move the following Clause—

“Pension flexibility: Treasury review

(1) The Chancellor of the Exchequer shall, within a period of no more than 18 months from 6 April 2015, publish and lay before the House of Commons a comprehensive review of the impact of the changes made by this Act to the Finance Act 2004 and the Income Tax (Earnings and Pensions) Act 2003.

(2) The information published under subsection (1) must include—

(a) the distributional impact, by income decile of the population, of changes made by this Act to the Finance Act 2004 and Income Tax (Earnings and Pensions) Act 2003;
10 (b) the impact on Exchequer revenues of measures contained within Schedule 2: Death of a Pension Scheme Member, related to changes to the taxation of pensions at death;
(c) a behavioural analysis;
(d) an analysis of the cumulative impact of this Act on Exchequer revenues;
(e) an analysis of the impact of this Act on the purchase of annuities.”

As an Amendment to Cathy Jamieson’s proposed New Clause (Pension flexibility: Treasury review) (NC2):—

Hywel Williams

Not called (a)

∗ Line 13, at end insert—
“( ) an analysis of the impact of the changes introduced by this Act on the housing market;”

Cathy Jamieson

Not selected 40

Schedule 1, page 4, line 25, at end add—
“(4) That the Secretary of State shall be permitted to make regulations imposing a cap on the charges that may be imposed on members of flexi-access drawdown funds.”

Mr Chancellor of the Exchequer

Agreed to 1

Schedule 1, page 37, line 37, after “arrangement”, insert “nominee’s flexi-access drawdown fund”,

Mr Chancellor of the Exchequer

Agreed to 2

Schedule 1, page 37, line 38, after “annuity”, insert “successor’s flexi-access drawdown fund”

Mr Chancellor of the Exchequer

Agreed to 3

Schedule 1, page 37, line 41, leave out “and 22A” and insert “, 22A, 27E and 27K”

Mr Chancellor of the Exchequer

Agreed to 4

Schedule 1, page 39, line 35, after “arrangement”, insert “nominee’s flexi-access drawdown fund”,

Mr Chancellor of the Exchequer

Agreed to 5

Schedule 1, page 39, line 36, after “annuity”, insert “successor’s flexi-access drawdown fund”
Taxation of Pensions Bill, continued

Mr Chancellor of the Exchequer

Agreed to  6
Schedule 1, page 39, line 39, leave out “and 22A” and insert “, 22A, 27E and 27K”

Mr Chancellor of the Exchequer

Agreed to  7
Schedule 1, page 42, leave out lines 1 to 3

Mr Chancellor of the Exchequer

Agreed to  8
Schedule 1, page 44, leave out lines 28 to 30

Mr Chancellor of the Exchequer

Agreed to  9
Schedule 1, page 46, line 8, at end insert—
“( ) if the member is entitled to payment of a lifetime annuity under a flexible annuity contract as defined by section 227G(8), a relevant event occurs when the first payment of the annuity is made,
( ) if—
(i) the member is entitled to payment of a scheme pension under a money purchase arrangement under the scheme,
(ii) the member became entitled to the scheme pension on or after 6 April 2015,
(iii) the member became entitled to the scheme pension at a time when fewer than 11 other individuals were entitled to the present payment of a scheme pension, or dependants’ scheme pension, under the scheme, and
(iv) the scheme pension is not payable under an annuity contract treated under section 153(8) or (8A) as having become a registered pension scheme, a relevant event occurs when the first payment of the scheme pension is made, and”

Mr Chancellor of the Exchequer

Agreed to  10
Schedule 1, page 46, leave out lines 26 to 41 and insert “and
(c) the duties under regulation 14ZB and the circumstances in which the member will have to comply with them.”

Mr Chancellor of the Exchequer

Agreed to  11
Schedule 1, page 47, line 12, at end insert “if active or contributing etc”

Mr Chancellor of the Exchequer

Agreed to  12
Schedule 1, page 47, leave out lines 13 to 35 and insert—
“(1) Paragraphs (2) and (3) apply if—
(a) an individual receives a statement under regulation 14ZA from the scheme administrator of a registered pension scheme (the “flexed” registered pension scheme), and
(b) on the date of the relevant event concerned, or at any later time, the individual is an accruing member (see paragraph (6)) of the flexed or any other registered pension scheme.
(1A) In this regulation—

"the relevant 13-week period" means the period of 91 days beginning with—

(a) the date of receipt if the individual is an accruing member of any registered pension scheme on any day in the period—

(i) beginning with the date of the relevant event concerned, and

(ii) ending with the date of receipt, or

(b) if not, the first day after the date of receipt when the individual is an accruing member of a registered pension scheme, and

"the intervening period" means the period—

(c) beginning with the date of the relevant event concerned, and

(d) ending with the first day of the relevant 13-week period.

(2) The individual must before the end of the relevant 13-week period—

(a) pass on a copy of the statement, or

(b) otherwise give notice—

(i) of receipt of the statement, and

(ii) of the date of the relevant event concerned or (if applicable) of its having occurred more than 2 years before the start of the relevant 13-week period,

to the scheme administrator of each other registered pension scheme of which the individual is an accruing member on any day in the intervening period; but this is subject to paragraph (5).

(3) Where, in the case of a particular registered pension scheme other than the flexed scheme, the individual is not an accruing member of that other scheme on any day in the intervening period but becomes an accruing member of that other scheme on a day ("the activation day") after the last day of that period, the individual must before the end of the 91 days beginning with the activation day—

(a) pass on a copy of the statement, or

(b) otherwise give notice—

(i) of receipt of the statement, and

(ii) of the date of the relevant event concerned or (if applicable) of its having occurred more than 2 years before the activation day,

to the scheme administrator of that other scheme; but this is subject to paragraphs (4) and (5).”

Mr Chancellor of the Exchequer

Agreed to 13

Schedule 1, page 47, line 37, leave out “a” and insert “an accruing”

Mr Chancellor of the Exchequer

Agreed to 14

Schedule 1, page 47, line 38, after “becomes”, insert “an accruing member of that scheme upon or after becoming”

Mr Chancellor of the Exchequer

Agreed to 15

Schedule 1, page 47, line 38, at end insert “after the date of the relevant event concerned.”
Mr Chancellor of the Exchequer

Schedule 1, page 47, line 42, after second “(3)”, insert “, or has previously complied with paragraph (2) or (3),”

Mr Chancellor of the Exchequer

Schedule 1, page 47, line 43, at end insert—

“(6) For the purposes of this regulation, the individual is an accruing member of a registered pension scheme on any particular day if—

(a) the individual is an active member of the scheme on that day as a result of there presently being arrangements for the accrual of benefits to or in respect of the individual under a cash balance arrangement or hybrid arrangement, or

(b) a relevant contribution is made under the scheme on that day.

(7) For the purposes of this regulation, a relevant contribution is made under a registered pension scheme if—

(a) a relievable pension contribution is paid by or on behalf of the individual under a non-cash-balance money purchase arrangement relating to the individual under the scheme,

(b) a contribution is paid in respect of the individual by an employer of the individual under a non-cash-balance money purchase arrangement relating to the individual under the scheme, or

(c) a contribution—

(i) paid under the scheme by an employer of the individual, and

(ii) paid otherwise than in respect of any individual, becomes held for the purposes of a non-cash-balance money purchase arrangement relating to the individual under the scheme;

and in this paragraph “non-cash-balance money purchase arrangement” means a money purchase arrangement other than a cash balance arrangement.”

Mr Chancellor of the Exchequer

Schedule 1, page 48, line 33, leave out “active member” and insert “accruing member (see paragraph (7A))”

Mr Chancellor of the Exchequer

Schedule 1, page 48, line 34, leave out from “scheme” to end of line 38

Mr Chancellor of the Exchequer

Schedule 1, page 48, line 38, at end insert—

“(1A) In this regulation “the relevant 13-week period” means the period of 91 days beginning with—

(a) 6 April 2015 if on that date the individual is an accruing member of any registered pension scheme, or

(b) if not, the first day after 6 April 2015 when the individual is an accruing member of a registered pension scheme.”
Mr Chancellor of the Exchequer

Agreed to 21
Schedule 1, page 48, line 39, leave out from second “the” to end of line 44 and insert “relevant 13-week period,”

Mr Chancellor of the Exchequer

Agreed to 22
Schedule 1, page 48, line 47, leave out “a member on the first day of that” and insert “an accruing member on the first day of the relevant 13-week”

Mr Chancellor of the Exchequer

Agreed to 23
Schedule 1, page 49, line 1, leave out from “Where” to “provide” in line 4 and insert “, in the case of a particular registered pension scheme other than the flexed scheme, the individual is not an accruing member of that other scheme on the first day of the relevant 13-week period but becomes an accruing member of that other scheme on a day (“the activation day”) after the first day of that period, the individual must, before the end of the 91 days beginning with the activation day,”

Mr Chancellor of the Exchequer

Agreed to 24
Schedule 1, page 49, line 16, after “becomes”, insert “an accruing member of that scheme upon or after becoming”

Mr Chancellor of the Exchequer

Agreed to 25
Schedule 1, page 49, line 17, at end insert “after 6 April 2015.”

Mr Chancellor of the Exchequer

Agreed to 26
Schedule 1, page 49, line 21, after second “(3),” insert “, or has previously complied with paragraph (2) or (3),”

Mr Chancellor of the Exchequer

Agreed to 27
Schedule 1, page 49, line 22, at end insert—
“(7A) For the purposes of this regulation, the individual is an accruing member of a registered pension scheme on any particular day if—
(a) the individual is an active member of the scheme on that day as a result of there presently being arrangements for the accrual of benefits to or in respect of the individual under a cash balance arrangement or hybrid arrangement, or
(b) a relevant contribution is made under the scheme on that day.”

Mr Chancellor of the Exchequer

Agreed to 28
Schedule 1, page 49, line 23, leave out “paid” and insert “made under a registered pension scheme”

Mr Chancellor of the Exchequer

Agreed to 29
Schedule 1, page 49, line 27, leave out “flexed or any other registered pension”
Taxation of Pensions Bill, continued

Mr Chancellor of the Exchequer

Schedule 1, page 49, line 32, leave out “flexed or any other registered pension”

Mr Chancellor of the Exchequer

Schedule 1, page 49, line 34, leave out “flexed or any other registered pension”

Mr Chancellor of the Exchequer

Schedule 1, page 49, line 39, leave out “under which the contribution was paid”

Mr Chancellor of the Exchequer

Schedule 1, page 49, line 43, after “if”, insert “active or contributing etc and”

Mr Chancellor of the Exchequer

Schedule 1, page 49, line 45, leave out from beginning to end of line 13 on page 50 and insert—

“(1) Paragraphs (2) and (3) apply if—

(a) under paragraph 8C of Schedule 28, the drawdown pension fund in respect of an arrangement relating to an individual under a registered pension scheme (the “flexed” registered pension scheme) becomes the individual’s flexi-access drawdown fund in respect of the arrangement, and

(b) on the conversion date, or at any later time, the individual is an accruing member (see paragraph (6)) of the flexed or any other registered pension scheme.

(1A) In this regulation “the relevant 13-week period” means the period of 91 days beginning with—

(a) the conversion date if on that date the individual is an accruing member of any registered pension scheme, or

(b) if not, the first day after that date when the individual is an accruing member of a registered pension scheme.

(2) The individual must, before the end of the relevant 13-week period, inform the scheme administrator of each other registered pension scheme of which the individual is an accruing member on the first day of the relevant 13-week period—

(a) of the conversion, and

(b) of the conversion date or (if applicable) of the conversion’s having occurred more than 2 years before the start of the relevant 13-week period;

but this is subject to paragraph (5).

(3) Where, in the case of a particular registered pension scheme other than the flexed scheme, the individual is not an accruing member of that other scheme on the first day of the relevant 13-week period but becomes an accruing member of that other scheme on a day (“the activation day”) after the first day of that period, the individual must, before the end of the 91 days beginning with the activation day, inform the scheme administrator of that other scheme—

(a) of the conversion, and

(b) of the conversion date or (if applicable) of the conversion’s having occurred more than 2 years before the activation day;
Mr Chancellor of the Exchequer

Schedule 1, page 50, line 15, leave out “a” and insert “an accruing”

Mr Chancellor of the Exchequer

Schedule 1, page 50, line 16, after “becomes”, insert “an accruing member of that scheme upon or after becoming”

Mr Chancellor of the Exchequer

Schedule 1, page 50, line 16, at end insert “after the conversion date.”

Mr Chancellor of the Exchequer

Schedule 1, page 50, line 20, after second “(3)”, insert “, or has previously complied with paragraph (2) or (3),”

Mr Chancellor of the Exchequer

Schedule 1, page 50, line 21, at end insert—

“(6) For the purposes of this regulation, the individual is an accruing member of a registered pension scheme on any particular day if—

(a) the individual is an active member of the scheme on that day as a result of there presently being arrangements for the accrual of benefits to or in respect of the individual under a cash balance arrangement or hybrid arrangement, or

(b) a relevant contribution is made under the scheme on that day.

(7) For the purposes of this regulation, a relevant contribution is made under a registered pension scheme if—

(a) a relievable pension contribution is paid by or on behalf of the individual under a non-cash-balance money purchase arrangement relating to the individual under the scheme,

(b) a contribution is paid in respect of the individual by an employer of the individual under a non-cash-balance money purchase arrangement relating to the individual under the scheme, or

(c) a contribution—

(i) paid under the scheme by an employer of the individual, and

(ii) paid otherwise than in respect of any individual,

becomes held for the purposes of a non-cash-balance money purchase arrangement relating to the individual under the scheme;

and in this paragraph “non-cash-balance money purchase arrangement” means a money purchase arrangement other than a cash balance arrangement.”

Bill read the third time, and passed.