

Table of contents

Main titles from Claritax Books.....	iv
About the author	v
Acknowledgement.....	vii
Abbreviations	viii

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.....	4
1.4	Registration of pension schemes.....	6
1.5	Registration – transition in 2006.....	11
1.6	The benefits of registration.....	14
1.7	Disclosure of tax avoidance schemes.....	15
1.8	Key features.....	17
1.9	Terminology and FA 2004.....	25
1.10	Other categorisations	26
1.11	What makes pension schemes different from other forms of saving?	30
1.12	Death benefits.....	33
1.13	The approach of tax legislation	34
1.14	Schemes that are not registered	35
1.15	General tax and tax avoidance measures	36
1.16	Recent history.....	37
1.17	The state scheme and the pension credit.....	39

2. Contributions and input

2.1	Overview.....	45
2.2	The controls on input	45
2.3	The annual limit for relief.....	46
2.4	Employer contributions.....	62
2.5	The annual allowance.....	68
2.6	Input and defined benefit schemes.....	78
2.7	Input and input periods.....	81
2.8	Relationship between annual and special annual allowance.....	84
2.9	Taking all benefits.....	85

2.10	Carry-forward of allowance.....	85
2.11	Changes to the charge and the “scheme pays” facility	87
2.12	Input periods and planning.....	89
2.13	Changes to the annual allowance – 2015 and 2020.....	91
2.14	Sacrificing remuneration	96
2.15	Recycling.....	98
2.16	AVCs and freestanding AVCs	98
2.17	<i>In specie</i> contributions	99

3. The lifetime allowance

3.1	Introduction	105
3.2	What the lifetime allowance is and how it works.....	106
3.3	Benefit crystallisation events.....	108
3.4	The value of scheme pensions	115
3.5	Separate lump sums.....	117
3.6	Cumulative use of the allowance	118
3.7	Retaining funds.....	118
3.8	Pre-6 April 2006 crystallisations.....	120
3.9	Overlap	122
3.10	Enhancing the lifetime allowance	125
3.11	Special occupations and the reduced lifetime allowance.....	131
3.12	Fixed and individual protection.....	132
3.13	Pension credits (dissolution of marriage)	140
3.14	Drawdown pensions	142
3.15	Transitional protection.....	143

4. Taxation of member benefits

4.1	Pensions and lump sums as authorised payments	147
4.2	When can benefits be paid?	149
4.3	Early retirement due to incapacity	152
4.4	Special occupations	155
4.5	Taxation of pension.....	158
4.6	Scheme pensions	160
4.7	Pension annuities.....	167
4.8	Drawdown pensions	173
4.9	Capped drawdown.....	178
4.10	Temporary periods of non-residence.....	182
4.11	The benefits and drawbacks of drawdown	183

4.12	Lump sum benefits	187
4.13	Pension commencement lump sum – permitted maximum.....	191
4.14	Protected lump sums	192
4.15	Recycling.....	200
4.16	Retirement guidance.....	203

5. Death benefits

5.1	Background – authorised payments.....	204
5.2	Death benefits and the lifetime allowance.....	205
5.3	Available death benefits	211
5.4	Dependants.....	217
5.5	Dependants’ drawdown pensions.....	219
5.6	Drawdown for children – transitional protection	220
5.7	Dependants’ and other beneficiaries’ pensions – restrictions.....	223
5.8	Pension guarantees (terms certain).....	227
5.9	Lump sum death benefits.....	228
5.10	Transitional protection issues	234

6. Transfers and refunds

6.1	Overview.....	240
6.2	What transfers are allowed?.....	247
6.3	Transfer of contracted-out rights and safeguards.....	248
6.4	Calculation of the transfer value	249
6.5	Member has enhanced or primary protection	251
6.6	Lump sum protection	252
6.7	Protected pension ages.....	255
6.8	Classification of registered pension schemes.....	255
6.9	Transfers to QROPS.....	256
6.10	Assignment of a policy	260
6.11	Pension Protection Fund.....	260
6.12	The nature of a transfer	261
6.13	Member rights	261
6.14	Three-month transfer values	262
6.15	Transfer deadlines	263
6.16	The right to a transfer value	263
6.17	Transfers and dissolution of marriage	264
6.18	Crystallised benefits.....	265
6.19	Pensions in payment.....	265

6.20	Direct payment to insurance company	269
6.21	Cooling off	270

7. Pension scheme lump sums and authorised payments

7.1	Lump sums as authorised payments	271
7.2	The pension commencement lump sum.....	272
7.3	Serious ill-health lump sum	278
7.4	The uncrystallised funds pension lump sum.....	280
7.5	Short service lump sum – occupational pension schemes.....	282
7.6	Refund of excess contributions lump sum.....	284
7.7	Trivial commutation lump sum.....	285
7.8	Winding-up lump sum	287
7.9	Lifetime allowance excess lump sum.....	287
7.10	Other small lump sums (“small pots”).....	288
7.11	Scheme administration payments.....	294
7.12	Specific unauthorised payments.....	300
7.13	Unauthorised payments – tax	303

8. Investments

8.1	The purpose of investment	311
8.2	Main areas for consideration	311
8.3	Investment-regulated schemes	312
8.4	Benefits in kind	313
8.5	Loans from pension schemes	315
8.6	Borrowing	319
8.7	Equities.....	320
8.8	Value shifting	322
8.9	Taxable property	323
8.10	Employer finance	344
8.11	Flexibility of investment-regulated schemes (SIPP and SSAS)	347
8.12	Transitional protection.....	349
8.13	SIPPs and the FCA	349
8.14	VAT and pension investments	351
8.15	Stamp duty	356

9. International aspects and the lifetime allowance

9.1	Scope of international aspects.....	358
9.2	Enhancing the lifetime allowance	358

9.3	Migrant member relief.....	364
9.4	What is a qualifying recognised overseas pension scheme?	369
9.5	Qualifying non-UK pension schemes (QNUPS)	386
9.6	Double taxation agreements and tax relief.....	387
9.7	Tax charges and non-UK schemes.....	389
9.8	Lifetime allowance.....	392
10.	Death benefits and inheritance tax	
10.1	Introduction.....	395
10.2	Pension schemes and IHT	396
10.3	Increased HMRC interest	398
10.4	The structure of a pension scheme	399
10.5	The IHT implications on pension funds.....	400
10.6	Lump sum death benefits.....	413
10.7	By-pass trusts	422
10.8	By-pass trusts – IHT implications after death of settlor	423
11.	Transitional protection	
11.1	The need for transitional measures.....	432
11.2	Previous regimes – a summary.....	432
11.3	The transitional provisions.....	434
11.4	Primary protection	440
11.5	Enhanced protection.....	441
11.6	Lump sum protection	446
11.7	Valuing lump sum benefits at 5 April 2006.....	448
11.8	Occupational schemes – lump sum valuation.....	449
11.9	Enhanced protection – mixing the rules.....	451
11.10	Stand-alone lump sums and enhanced protection.....	451
11.11	Scheme-specific lump sums	453
12.	Employer-financed retirement benefit schemes	
12.1	Background.....	464
12.2	The 2011 changes	465
12.3	EFRBS as third-party remuneration (Part 7A).....	466
12.4	Unfunded schemes.....	466
12.5	Transactions that generate liability.....	467
12.6	The <i>Finance Act 2017</i>	468
12.7	Employment income through third parties.....	469

12.8	The structure of the rules	469
12.9	Taxation of EFRBS since 6 April 2011	474
12.10	Transition	476
12.11	Excepted group life policies	477
	Table of primary legislation	481
	Table of statutory instruments	491
	Index of cases	493
	General index	495