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**Changes to legislation:** There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2016. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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## SCHEDULES

### SCHEDULE 4

#### PENSIONS: LIFETIME ALLOWANCE: TRANSITIONAL PROVISION

#### PART 2

#### “INDIVIDUAL PROTECTION 2016”

**Modifications etc. (not altering text)**

- C1** Sch. 4 Pt. 2 modified (6.4.2023) by [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023 \(S.I. 2023/113\)](#), regs. 1(2), 37, 38 (with reg. 1(3))

#### *The protection*

- 9 (1) Sub-paragraph (2) applies at any particular time on or after 6 April 2016 in the case of an individual if—
- the individual has one or more relevant arrangements (see sub-paragraph (3)) on 5 April 2016,
  - the individual's relevant amount at the particular time is greater than £1,000,000 (see sub-paragraphs (4) and (7)),
  - paragraph 7 of Schedule 36 to FA 2004 (primary protection) does not make provision for a lifetime allowance enhancement factor in relation to the individual,
  - none of the provisions listed in sub-paragraph (5) applies in the individual's case at the particular time, and
  - at the particular time or any later time, the individual has a reference number (see Part 3 of this Schedule) for the purposes of sub-paragraph (2).
- (2) Part 4 of FA 2004 has effect in relation to the individual as if the standard lifetime allowance were—
- if the individual's relevant amount at the particular time is greater than £1,250,000, the greater of the standard lifetime allowance and £1,250,000, or
  - otherwise, the greater of the individual's relevant amount at the particular time and the standard lifetime allowance.
- (3) “Relevant arrangement”, in relation to an individual, means an arrangement relating to the individual under—
- a registered pension scheme of which the individual is a member, or
  - a relieved non-UK pension scheme of which the individual is a relieved member.

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- (4) An individual's "relevant amount" is the sum of amounts A, B, C and D (see paragraphs 10 to 13, but see also sub-paragraph (7)).
- (5) The provisions mentioned in sub-paragraph (1)(d) are—
- (a) paragraph 12 of Schedule 36 to FA 2004 (enhanced protection);
  - (b) paragraph 14 of Schedule 18 to FA 2011 (fixed protection 2012);
  - (c) paragraph 1 of Schedule 22 to FA 2013 (fixed protection 2014);
  - (d) paragraph 1(2) of Schedule 6 to FA 2014 (individual protection 2014);
  - (e) paragraph 1(2) of this Schedule (fixed protection 2016).
- (6) Sub-paragraph (7) applies if rights of an individual under a relevant arrangement become subject to a pension debit where the transfer day falls on or after 6 April 2016.
- (7) For the purpose of applying sub-paragraph (2) in the case of the individual on and after the transfer day, the individual's relevant amount is reduced (or further reduced) by the following amount—

$$X - (Y \times Z)$$

where—

X is the appropriate amount,

Y is 5% of X, and

Z is the number of tax years beginning after 5 April 2016 and ending on or before the transfer day.

(If the formula gives a negative amount, it is to be taken to be nil.)

- (8) In sub-paragraphs (6) and (7) "appropriate amount" and "transfer day", in relation to a pension debit, have the same meaning as in section 29 of WRPA 1999 or Article 26 of WRP(NI)O 1999 (as the case may be).

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)