

2007 No. 494

INCOME TAX

The Registered Pension Schemes (Standard Lifetime and Annual Allowances) Order 2007

<i>Made</i>	- - - -	<i>21st February 2007</i>
<i>Laid before House of Commons</i>		<i>22nd February 2007</i>
<i>Coming into force</i>	- -	<i>6th April 2007</i>

The Treasury make the following Order in exercise of the powers conferred by sections 218(3) and 228(2) of the Finance Act 2004(a).

Citation and commencement

1. This Order may be cited as the Registered Pension Schemes (Standard Lifetime and Annual Allowances) Order 2007 and shall come into force on 6th April 2007.

Standard lifetime allowance

2. The standard lifetime allowance—
- (a) for the tax year 2007-08 is £1,600,000;
 - (b) for the tax year 2008-09 is £1,650,000;
 - (c) for the tax year 2009-10 is £1,750,000;
 - (d) for the tax year 2010-11 is £1,800,000.

Annual allowance

3. The annual allowance for the tax year—
- (a) for the tax year 2007-08 is £225,000;
 - (b) for the tax year 2008-09 is £235,000;
 - (c) for the tax year 2009-10 is £245,000;
 - (d) for the tax year 2010-11 is £255,000.

21st February 2007

Alan Campbell
Dave Watts
Two of the Lords Commissioners of Her Majesty's Treasury

(a) 2004 (c. 12).

EXPLANATORY NOTE

(This note is not part of the Order)

Part 4 of the Finance Act 2004 (c. 12) introduced changes to the taxation of pension schemes.

Chapter 5 of that Part introduced a limit on the amount of an individual's total pension savings in registered pension schemes which can benefit from tax relief. This limit is known as the standard lifetime allowance. Section 218 of the Finance Act 2004 (c. 12) set the standard lifetime allowance for the tax year 2006-07 and provided that subsequent allowances would be set by Treasury Order.

Chapter 5 also introduced a limit on the annual input to registered pension schemes for an individual. This limit is known as the annual allowance. Section 228 of the Finance Act 2004 set the annual allowance for the tax year 2006-07 and provided that subsequent allowances would be set by Treasury Order.

Articles 2 and 3 provide for the standard lifetime allowance and annual allowance for the tax years 2007/08 to 2010/11 respectively.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen. On 8 April 2004 the Board of Inland Revenue published a regulatory impact assessment in respect of the provisions of Part 4 of the Finance Act 2004 and the subordinate legislation that was expected to be made under it. The assessment is available on HM Revenue & Customs website at <http://www.hmrc.gov.uk/ria/simplifying-pensions.pdf> or (for hard copies) by writing to the Ministerial Correspondence Unit, 1st Floor Ferrers House, PO Box 38, Castle Meadow Road, Nottingham, NG2 1BB.