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## 1 Collective money purchase arrangements

- (1) Part 4 of FA 2004 (pension schemes) is amended in accordance with subsections (2) to (6).
- (2) In section 152 (meaning of arrangement), in subsection (3A) –
- (a) the words after “under the arrangement are” become paragraph (a);
  - (b) at the end of that paragraph insert “, or”;
  - (c) after that paragraph insert –
    - “(b) payments made by virtue of section 36(7)(b) or 87(7)(b) of the Pension Schemes Act 2021 (periodic income paid under collective money purchase scheme while pursuing continuity option 1).”
- (3) In section 169 (recognised transfers), after subsection (1E) insert –
- “(1F) The Commissioners for Her Majesty’s Revenue and Customs may by regulations make provision as to the treatment for the purposes of any provision of this Part of a CMP-derived drawdown pension.
  - (1G) The provision that may be made under subsection (1F) includes provision for treating sums or assets held for the purposes of a CMP-derived drawdown pension as remaining, to such extent as is prescribed by the regulations and for such of the purposes of this Part as are so prescribed, held for the purposes of the collective money purchase arrangement under the pension scheme from which they were transferred.
  - (1H) For the purposes of this Part a “CMP-derived drawdown pension” means a drawdown pension (within the meaning given by paragraph 4 of Schedule 28) where –
    - (a) the sums or assets constituting the fund from which the pension is payable were transferred from another pension scheme, and
    - (b) before the transfer, those sums or assets were held for the purposes of making payments by virtue of section 36(7)(b) or 87(7)(b) of the Pension Schemes Act 2021 (periodic income paid under collective money purchase scheme while pursuing continuity option 1).”
- (4) In section 280 (abbreviations and general index), in subsection (2) at the appropriate place insert –

“CMP-derived drawdown pension | section 169(1H)”.

- (5) In Schedule 29 (authorised lump sums - supplementary), in paragraph 1, for sub-paragraph (4A) substitute –
- “(4A) A lump sum is an excluded lump sum if the pension in connection with which the member becomes entitled to it is a CMP-derived drawdown pension.”
- (6) In Schedule 32 (benefit crystallisation events - supplementary), for paragraph 2B substitute –
- “2B (1) This paragraph applies for the purposes of benefit crystallisation event 1 where the sums or assets designated are, after the

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designation, held for the purposes of a CMP-derived drawdown pension.

- (2) The amount crystallised by the event is to be reduced by the amount (or an appropriate proportion of the amount) crystallised on the individual becoming entitled to a scheme pension under the collective money purchase arrangement for the purposes of which the sums or assets were previously held.”
- (7) In consequence of the amendments made by the preceding provisions of this section, the following provisions of Schedule 5 to FA 2021 are repealed –
- (a) paragraph 21(2)(b);
  - (b) paragraph 22(2).
- (8) The Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006 (S.I. 2006/499) are amended in accordance with subsection (9).
- (9) In regulation 3 (scheme pension payable by registered pension scheme - recognised transfers) at the end insert –
- “(3) The reference in paragraph (1) to a transfer within section 169(1) or (1A) does not include a transfer of sums or assets which, after the transfer, are held for the purposes of a CMP-derived drawdown pension.”