

1 Pension relief at source

- (1) Part 4 of FA 2004 (pension schemes) is amended as follows.
- (2) In section 158(1) (grounds for de-registration), after paragraph (b) insert—
 - “(ba) that the scheme administrator fails to comply with any provision made by or under regulations under section 192(6) or (7);”.
- (3) In section 192 (relief at source)—
 - (a) for subsection (1A) substitute—

“(1A) For the purposes of this section “the relevant rate” is—

 - (a) in the case of an individual who is a Scottish taxpayer, the Scottish basic rate for the tax year in which the payment is made;
 - (b) in the case of an individual who is a Welsh taxpayer, the Welsh basic rate for that tax year;
 - (c) in any other case, the basic rate for that tax year.”;
 - (b) in subsection (7)(d), after “subsection (6)” insert “or with any provision made by virtue of paragraph (b)”;
 - (c) after subsection (7) insert—

“(7A) Regulations under subsection (6) or (7) may, in particular, make provision about penalties for failures to comply with provision made by or under the regulations.”;
 - (d) in subsection (8), in the words before paragraph (a), for “this section” substitute “subsection (6) or (7)”;
 - (e) after subsection (8) insert—

“(8A) The Commissioners for His Majesty’s Revenue and Customs may by regulations amend this section so as to change the definition of “the relevant rate”.”;
 - (f) omit subsection (11).
- (4) Omit sections 192A and 192B (relief at source: additional and excessive relief).
- (5) In section 282 (orders and regulations), after subsection (1) insert—

“(1ZA) Regulations under section 192(8A) that reduce the sum an individual would be entitled to deduct and retain under that section may not be made unless a draft of the statutory instrument containing the regulations has been laid before, and approved by a resolution of, the House of Commons.”
- (6) In Chapter 3 of Part 2 of ITA 2007 (calculation of income tax liability)—
 - (a) in section 26(1) (tax reductions), in paragraph (a) omit “section 192A of FA 2004 (relief at source: additional relief),”;
 - (b) in section 30 (additional tax), in subsection (1) omit “section 192B of FA 2004 (relief at source: excessive relief given),”.
- (7) The amendments made by this section have effect in relation to the tax year 2025-26 and subsequent tax years.