

SCHEDULES

SCHEDULE 5

PENSIONS: MISCELLANEOUS AMENDMENTS AND ALTERNATIVE TO ANTI-FRANKING RULES

PART I

MISCELLANEOUS AMENDMENTS

Protected rights

- 3 (1) Section 28 of the 1993 Act (ways of giving effect to protected rights) shall be amended as follows.
- (2) In subsection (4) (giving effect to protected rights at or after retirement age), for paragraph (d) there shall be substituted—
- “*(d)* the amount of the lump sum is equal to the value on that date of the protected rights to which effect is being given.”
- (3) After that subsection there shall be inserted—
- “*(4A)* Subject to subsection *(4B)*, in the case of an occupational pension scheme, effect may be given to protected rights by the provision of a lump sum if—
- (a) the trustees or managers of the scheme are satisfied that the member is terminally ill and likely to die within the period of twelve months beginning with the date on which the lump sum becomes payable; and
- (b) the amount of the lump sum is equal to the value on that date of the protected rights to which effect is being given.
- (4B)* The value of the protected rights to which effect may be given under subsection *(4A)* in a case in which the member is a married person on the date on which the lump sum becomes payable shall not exceed one half of the value on that date of all the member’s protected rights.”
- (4) In subsections (3) and (5), for “or (4)”, in each case, there shall be substituted “, (4) or *(4A)*”.