

Status: Point in time view as at 22/07/2004.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, Cross Heading: Money purchase arrangements. (See end of Document for details)

SCHEDULES

SCHEDULE 28

REGISTERED PENSION SCHEMES: AUTHORISED PENSIONS—SUPPLEMENTARY

PART 1

PENSION RULES

Money purchase arrangements

Lifetime annuity

- 3 (1) For the purposes of this Part an annuity payable to the member is a lifetime annuity if—
- (a) it is payable by an insurance company,
 - (b) the member had an opportunity to select the insurance company,
 - (c) it is payable until the member's death or until the later of the member's death and the end of a term certain not exceeding ten years, and
 - (d) it is a level annuity, an increasing annuity or a relevant linked annuity.
- (2) An annuity is payable until the end of a term certain even if it may, after the death of the member during the term, end on the annuitant—
- (a) marrying,
 - (b) reaching the age of 18, or
 - (c) ceasing to be in full-time education.
- (3) An annuity is a level annuity if its amount does not vary from year to year.
- (4) An annuity is an increasing annuity if its amount increases from year to year.
- (5) An annuity is a relevant linked annuity if its amount varies from year to year but only in line with changes in (or by an amount which does not exceed the amount by which it would vary if it varied in line with changes in)—
- (a) the retail prices index,
 - (b) the market value of freely marketable assets, or
 - (c) an index reflecting the market value of freely marketable assets.
- (6) "Freely marketable assets" means assets which are sold on the open market at a price not determined by the member.

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