

Status: Point in time view as at 19/07/2011.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, Paragraph 7. (See end of Document for details)

SCHEDULES

SCHEDULE 29

REGISTERED PENSION SCHEMES: AUTHORISED LUMP SUMS—SUPPLEMENTARY

Modifications etc. (not altering text)

- C1 Sch. 29 modified (6.4.2006) by [The Pensions Schemes \(Application of UK Provisions to Relevant Non-UK Schemes\) Regulations 2006 \(S.I. 2006/207\)](#), regs. 1(1), **15**
- C1 Sch. 29 modified by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), **art. 23C** (as inserted (1.6.2009) by [S.I. 2009/1172](#), arts. 1, 3; and amended (with effect in accordance with art. 1(3) of the amending S.I.) by [S.I. 2011/1782](#), arts. 1(1), 2(3))

PART 1

LUMP SUM RULE

Modifications etc. (not altering text)

- C1 Sch. 29 Pt. 1 modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), **25(1)(2)(4)**
- C1 Sch. 29 Pt. 1 applied (with modifications) (6.4.2006) by [The Pension Protection Fund \(Tax\) Regulations 2006 \(S.I. 2006/575\)](#), regs. 1, **11**

Trivial commutation lump sum

- 7 (1) For the purposes of this Part a lump sum is a trivial commutation lump sum if—
- (a) it is paid when no trivial commutation lump sum has previously been paid to the member (by any registered pension scheme) or, if such a lump sum has previously been paid, before the end of the commutation period,
 - (b) on the nominated date, the value of the member's pension rights does not exceed the commutation limit,
 - (c) it is paid when all or part of the member's lifetime allowance is available,
 - (d) it extinguishes the member's entitlement to benefits under the pension scheme, and
 - (e) it is paid when the member has reached the age of 60 ^{F1}....
- (2) The commutation period is the period beginning with the day on which a trivial commutation lump sum is first paid to the member and ending 12 months after that day.
- (3) The nominated date is the day within the period of three months ending with the first day of the commutation period nominated by the member (or, if no date is nominated, is the first day of the commutation period).

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- (4) The commutation limit is [^{F2}£18,000.]
- [^{F3}(4A) The Treasury may by order substitute for the amount for the time being specified in sub-paragraph (4) such larger amount as is specified in the order.]
- (5) The value of the member's pension rights on the nominated date is the aggregate of—
- (a) the value of the member's relevant crystallised pension rights on that date (calculated in accordance with paragraph 8), and
 - (b) the value of the member's uncrystallised rights on that date (calculated in accordance with paragraph 9).

Textual Amendments

- F1** Words in Sch. 29 para. 7(1)(e) omitted (with effect in accordance with Sch. 16 paras. 85, 102 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 29](#)
- F2** Word in Sch. 29 para. 7(4) substituted (with effect in accordance with Sch. 18 Pt. 2 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 18 para. 4\(2\)](#)
- F3** Sch. 29 para. 7(4A) inserted (with effect in accordance with Sch. 18 Pt. 2 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 18 para. 4\(3\)](#)

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