

SCHEDULES

SCHEDULE 29

REGISTERED PENSION SCHEMES: AUTHORISED LUMP SUMS—SUPPLEMENTARY

PART 1

LUMP SUM RULE

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 but has not reached the age of 75.
- (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).
- (4) The commutation limit is 1% of the standard lifetime allowance on the nominated date.
- (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).