

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, Trivial commutation lump sum death benefit. (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 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 (as amended (with effect in accordance with [s. 42\(9\)](#) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), s. 42(5); and as amended by [Taxation of Pensions Act 2014 \(c. 30\)](#), Sch. 1 para. 72(1) (with Sch. 1 para. 72(2)(b)))
- 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](#) (as amended: (13/8/2009) by [S.I. 2009/2047](#), regs. 1(1), [2-10](#); (with effect in accordance with reg. 1(3) of the amending S.I.) by [S.I. 2012/1795](#), regs. 1(1), [6](#); (with effect in accordance with [Sch. 1 para. 96\(16\)\(a\)](#) of the amending Act) by [2014 c. 30](#), Sch. 1 para. 96(3)-(14) (with [Sch. 1 para. 96\(16\)\(b\)](#)); and (for the tax year 2024-25 and subsequent tax years) by [2024 c. 3](#), Sch. 9 paras. 62(6), 124 (with [Sch. 9 paras. 125-132A](#)) (as amended by [S.I. 2024/356](#), regs. 1, [4](#)))

PART 2

LUMP SUM DEATH BENEFIT RULE

Modifications etc. (not altering text)

- C1** Sch. 29 Pt. 2 applied (with modifications) (6.4.2006) by [The Pension Protection Fund \(Tax\) Regulations 2006 \(S.I. 2006/575\)](#), regs. 1, [14](#)
- C1** Sch. 29 Pt. 2 modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), [6](#), 8(1)(3)

Defined benefits and money purchase arrangements

Trivial commutation lump sum death benefit

- 20 (1) A lump sum death benefit is a trivial commutation lump sum death benefit ^[F1]if condition A or B is met.]

^[F2](1A) Condition A is that the lump sum—

- (a) is paid to a dependant entitled under the pension scheme to pension death benefit in respect of the member, and
- (b) extinguishes the dependant's entitlement under the pension scheme to pension death benefit and lump sum death benefit in respect of the member.

(1B) Condition B is that—

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- (a) the lump sum is paid after the member's death to an individual entitled to be paid a pension under the scheme—
 - (i) which the member was entitled to be paid immediately before the member's death, and
 - (ii) which is payable to the individual under pension rule 2 (see section 165),
- (b) if the pension is an annuity or scheme pension payable by an insurance company, the lump sum extinguishes all entitlements in respect of the member under the contract concerned, and
- (c) if the pension is a scheme pension payable by the scheme administrator, the lump sum extinguishes all entitlements to receive a scheme pension in respect of the member from the scheme administrator under pension rule 2.]

(2) But if the amount of a lump sum falling within sub-paragraph (1) exceeds [^{F3}£30,000], the excess is not a trivial commutation lump sum death benefit.

[^{F4}(3) The Treasury may by order substitute for the amount for the time being specified in sub-paragraph (2) such larger amount as is specified in the order.]

Textual Amendments

- F1** Words in Sch. 29 para. 20(1) substituted (17.12.2014) (with effect in accordance with Sch. 1 para. 74(6) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 74\(2\)](#)
- F2** Sch. 29 para. 20(1A)(1B) inserted (17.12.2014) (with effect in accordance with Sch. 1 para. 74(6) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 74\(3\)](#)
- F3** Sum in Sch. 29 para. 20(2) substituted (17.12.2014) (with effect in accordance with Sch. 1 para. 74(6) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 74\(4\)](#)
- F4** Sch. 29 para. 20(3) inserted (with effect in accordance with Sch. 18 Pt. 2 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 18 para. 6\(3\)](#)

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