

*Status: Point in time view as at 08/04/2010.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, SCHEDULE 32. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 32

Section 216

#### REGISTERED PENSION SCHEMES: BENEFIT CRYSTALLISATION EVENTS—SUPPLEMENTARY

##### Modifications etc. (not altering text)

- C1** Sch. 32 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), **16**
- C2** Sch. 32 applied (6.4.2006) by [The Pension Protection Fund \(Tax\) Regulations 2006 \(S.I. 2006/575\)](#), regs. 1, **23(5)**

##### *General: meaning of “the relevant pension schemes”*

- 1 For the purposes of the benefit crystallisation events “the relevant pension schemes” means the registered pension schemes of which the individual is a member (or, in the case of benefit crystallisation event 7, was a member immediately before death).

##### Commencement Information

- I1** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

##### *Post-75 events not generally benefit crystallisation events*

- 2 The only sort of event that constitutes a benefit crystallisation event in relation to the individual after the individual has reached the age of 75 is an event that constitutes benefit crystallisation event 3.

##### Commencement Information

- I2** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

##### *Benefit crystallisation events 1, 2 and 4: prevention of overlap*

- 3 (1) This paragraph applies for the purposes of benefit crystallisation event 2 if the scheme pension is funded (in whole or in part) by the [F<sup>1</sup>application] of sums or assets representing the whole or part of the individual’s unsecured pension fund.
- (2) The amount crystallised by the event is to be reduced by the amount (or an appropriate proportion of the amount) previously crystallised on the designation of the sums or assets as available for the payment of unsecured pension.

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**Textual Amendments**

**F1** Word in Sch. 32 para. 3(1) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 25\(2\), 64\(1\)](#)

**Commencement Information**

**I3** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

*Benefit crystallisation events 1, 2 and 4: prevention of overlap*

- 4 (1) This paragraph applies for the purposes of benefit crystallisation event 4 if the lifetime annuity [<sup>F2</sup>or a related dependants' annuity is, or both the lifetime annuity and a related dependants' annuity are,] purchased (in whole or in part) with sums or assets representing the whole or part of the individual's unsecured pension fund.
- (2) The amount crystallised by the event is to be reduced by the amount (or an appropriate proportion of the amount) previously crystallised on the designation of the sums or assets as available for the payment of unsecured pension.

**Textual Amendments**

**F2** Words in Sch. 32 para. 4(1) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 32, 64\(1\)](#)

**Commencement Information**

**I4** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

*Benefit crystallisation events 1 and 5: hybrid arrangements*

- 5 (1) This paragraph applies where—
- (a) immediately before the individual reaches the age of 75, there is under any of the relevant pension schemes a hybrid arrangement relating to the individual, and
  - (b) the benefits that may be provided to or in respect of the individual under the arrangement may, depending on the circumstances, be money purchase benefits or defined benefits.
- (2) Benefit crystallisation event 1 applies as if, at that time, the circumstances are such that the benefits to be provided are money purchase benefits (with the effect that [<sup>F3</sup>, under paragraph 8(2) of Schedule 28, any relevant uncrystallised funds are to be treated as having been designated under the arrangement] as available for the provision of unsecured pension to the individual).
- (3) Benefit crystallisation event 5 applies as if, at that time, the circumstances are such that the benefits to be provided are defined benefits.
- (4) The amount crystallised is the greater of the amounts crystallised by the two benefit crystallisation events.

*Status: Point in time view as at 08/04/2010.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, SCHEDULE 32. (See end of Document for details)*

#### Textual Amendments

**F3** Words in Sch. 32 para. 5(2) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 25\(3\), 64\(1\)](#)

#### Commencement Information

**I5** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

#### *Benefit crystallisation events 2, 3 and 5: meaning of “RVF”*

6 For the purposes of benefit crystallisation events 2, 3 and 5 “RVF” is the relevant valuation factor (see section 276).

#### Commencement Information

**I6** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

#### *Benefit crystallisation events 2 and 4: early lifetime annuities*

- 7 (1) This paragraph has effect if—
- (a) the individual becomes entitled before reaching normal minimum pension age to the payment of a lifetime annuity purchased under a money purchase arrangement under any of the relevant pension schemes, and
  - (b) the ill-health condition is not satisfied immediately before the individual becomes so entitled.
- (2) Benefit crystallisation event 2 applies as if—
- (a) the lifetime annuity were a scheme pension under the pension scheme, and
  - (b) the individual becomes entitled to it only on reaching normal minimum pension age.
- (3) Benefit crystallisation event 4 does not apply in relation to the lifetime annuity.

#### Commencement Information

**I7** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

#### *Benefit crystallisation event 2: early pensions*

- 8 For the purposes of benefit crystallisation event 2 if—
- (a) the individual becomes entitled to the pension before reaching normal minimum pension age, and
  - (b) the ill-health condition is not satisfied immediately before the individual becomes entitled to the pension,
- the individual is to be treated as becoming entitled to it only on reaching normal minimum pension age.

*Status: Point in time view as at 08/04/2010.*

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### Commencement Information

- I8** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

### *Benefit crystallisation event 2: meaning of “P”*

- 9 (1) For the purposes of benefit crystallisation event 2 “P” is the amount of the pension which will be payable to the individual in the period of 12 months beginning with the day on which the individual becomes entitled to it (assuming that it remains payable throughout that period at the rate at which it is payable on that day).

[<sup>F4</sup>(1A) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining the amount of the pension which will be payable for the purposes of sub-paragraph (1).]

- (2) If the amount of the pension which will be payable [<sup>F5</sup>is] reduced so as to reflect the amount of any tax under section 215 to be paid by the scheme administrator, that reduction is to be left out of account in determining the amount of the pension <sup>F6</sup>... for the purposes of sub-paragraph (1).

[<sup>F7</sup>(3) And if the reduction is such that, in accordance with normal actuarial practice, it would be taken fully to reflect the amount of the tax, the tax is not to be treated as tax paid by the scheme administrator for the purposes of section 215(9).]

### Textual Amendments

- F4** Sch. 32 para. 9(1A) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 8(2)**, 64(1)  
**F5** Word in Sch. 32 para. 9(2) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 43(3)(a)**, 64(1)  
**F6** Words in Sch. 32 para. 9(2) repealed (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), Sch. 10 paras. 43(3)(b), 64(1), **Sch. 11 Pt. 4**  
**F7** Sch. 32 para. 9(3) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 43(4)**, 64(1)

### Modifications etc. (not altering text)

- C3** Sch. 32 para. 9(2) modified (6.4.2006) by [The Registered Pension Schemes \(Splitting of Schemes\) Regulations 2006 \(S.I. 2006/569\)](#), regs. 1(1), 3(1)(2), **Sch. 3 Pt. 1**

### Commencement Information

- I9** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

### *[<sup>F8</sup>Benefit crystallisation event 3: disregarding abatement*

### Textual Amendments

- F8** Sch. 32 para. 9A and cross-heading inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 8(3)**, 64(1)

*Status: Point in time view as at 08/04/2010.*

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- 9A For the purposes of benefit crystallisation event 3, any abatement of the scheme pension is to be left out of account in determining for the purposes of column 1—
- (a) the increased annual rate of the pension, and
  - (b) the rate at which it was payable on the day on which the individual became entitled to it.]

*Benefit crystallisation event 3: excepted circumstances*

- 10 [F<sup>9</sup>(1)] For the purposes of benefit crystallisation event 3 “excepted circumstances” means—
- (a) that at the time when the annual rate of the individual’s pension is increased there are at least 50 pensioner members of the pension scheme, and
  - [F<sup>10</sup>(b) that the individual is one of a class of at least 20 pensioner members of the pension scheme, and all the scheme pensions being paid under the pension scheme to pensioner members of that class are at that time increased at the same rate.]

[F<sup>11</sup>(2) A class may consist of all the pensioner members of the pension scheme.

- (3) Sub-paragraph (4) applies where—
- (a) the annual rate of the individual's pension is increased in excepted circumstances (“the excepted increase”),
  - (b) before the end of the period of 12 months beginning with the date of the excepted increase, the annual rate of the individual's pension is increased in circumstances which would (apart from that sub-paragraph) be excepted circumstances (“the subsequent increase”), and
  - (c) the class by virtue of which sub-paragraph (1)(b) is satisfied on the subsequent increase (“the new class”) is not the class by virtue of which it was satisfied on the excepted increase.
- (4) If the purpose, or one of the main purposes, of the individual's being included in the new class is to increase the annual rate of the individual's pension without benefit crystallisation event 3 occurring, the subsequent increase is not in excepted circumstances.]

**Textual Amendments**

- F9** Sch. 32 para. 10 renumbered as Sch. 32 para. 10(1) (retrospective to 6.4.2006) by [Finance Act 2008 \(c. 9\)](#), [Sch. 29 paras. 7\(2\), 12\(3\)](#)
- F10** Sch. 32 para. 10(1)(b) substituted (retrospective to 6.4.2006) by [Finance Act 2008 \(c. 9\)](#), [Sch. 29 paras. 7\(3\), 12\(3\)](#)
- F11** Sch. 32 para. 10(2)-(4) inserted (retrospective to 6.4.2006) by [Finance Act 2008 \(c. 9\)](#), [Sch. 29 paras. 7\(4\), 12\(3\)](#)

**Commencement Information**

- I10** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

*Status: Point in time view as at 08/04/2010.*

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*¶<sup>F12</sup>Benefit crystallisation event 3: threshold annual rate*

**Textual Amendments**

**F12** Sch. 32 para. 10A and cross-heading inserted (retrospective to 6.4.2006) by [Finance Act 2008 \(c. 9\)](#), [Sch. 29 paras. 8, 12\(3\)](#)

- 10A (1) This paragraph applies for the purposes of benefit crystallisation event 3.
- (2) The threshold annual rate is the annual rate of the pension on the date of which the increase date is the first anniversary, increased by the greatest of—
- (a) the relevant percentage rate,
  - (b) the relevant indexation percentage, and
  - (c) £250,
- and rounded up in accordance with sub-paragraph (8).
- (3) But if the person became entitled to the pension after the date of which the increase date is the first anniversary, the threshold annual rate is the annual rate of the pension on the date on which the person became entitled to the pension, increased and rounded up as mentioned in sub-paragraph (2).
- (4) The increase date is the date on which the individual becomes entitled to payment of the pension at the increased annual rate.
- (5) The relevant percentage rate is—
- (a) in a case where the pension is paid under a pension scheme, or an arrangement under a pension scheme, in relation to which the relevant valuation factor is a number greater than 20, the rate agreed by the Commissioners for Her Majesty's Revenue and Customs and the scheme administrator, and
  - (b) otherwise, 5%.
- (6) The relevant indexation percentage means—
- (a) if the retail prices index for the reference month is higher than the retail prices index for the same calendar month in the previous year, the percentage increase in the retail prices index, and
  - (b) if it is not, 0%.
- (7) The scheme administrator may select as the reference month any month in the period of 12 months ending with the month in which the increase date falls.
- (8) An amount is rounded up in accordance with this sub-paragraph if it is rounded up to the next greatest amount which—
- (a) where the pension is payable monthly, gives an amount of whole pounds when divided by 12, or
  - (b) where the pension is payable weekly, gives an amount of whole pounds when divided by 52.
- (9) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining for the purposes of this paragraph the annual rate of the pension on the date of which the increase date is the first anniversary (or, where sub-paragraph (3) applies, the date on which the person became entitled to the pension).

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- (10) An individual who becomes entitled to payment of a scheme pension at an increased annual rate on 29 February in any year is to be treated for the purposes of this paragraph as having become so entitled on 28 February in that year.
- (11) The Treasury may by order substitute for the amount for the time being specified in sub-paragraph (2)(c) a different amount (including an amount to be calculated as a percentage of the standard lifetime allowance).]

*Benefit crystallisation event 3: permitted margin*

- 11 (1) This paragraph applies for the purposes of benefit crystallisation event 3 if the individual became entitled to the pension on or after 6th April 2006.
- (2) The permitted margin is the amount by which the annual amount of the pension at the rate at which it was payable on the day on which the individual became entitled to it would be greater if it had been increased by whichever of calculation A and calculation B gives the greater amount.
- (3) Calculation A involves increasing that annual amount at the relevant annual percentage rate for the whole of the period—
  - (a) beginning with the month in which the individual became entitled to the pension, and
  - (b) ending with the month in which the individual becomes entitled to payment of the pension at the increased rate.
- (4) The relevant annual percentage rate is—
  - (a) in a case where the pension is paid under a pension scheme, or an arrangement under a pension scheme, in relation to which the relevant valuation factor is a number greater than 20, the annual rate agreed by the Inland Revenue and the scheme administrator, and
  - (b) otherwise, 5% per annum.
- (5) Calculation B involves increasing that annual amount by the relevant indexation percentage.
- (6) If the retail prices index for the [<sup>F13</sup>reference month] is higher than it was for the [<sup>F14</sup>base month], the relevant indexation percentage is the percentage increase in the retail prices index.
- (7) If it is not, the relevant indexation percentage is 0%.
- [<sup>F15</sup>(7A) The scheme administrator may select as the reference month any month in the period of 12 months ending with the month in which the individual becomes entitled to payment of the pension at the increased rate.
- (7B) The base month is the month which is the same number of months before the month in which the individual became entitled to the pension, as the reference month is before the month in which the individual becomes entitled to payment of the pension at the increased rate.]
- [<sup>F16</sup>(8) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining for the purposes of this paragraph the annual amount of the pension at the rate at which it was payable on the day on which the individual became entitled to it.]

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#### Textual Amendments

- F13** Words in Sch. 32 para. 11(6) substituted (retrospective to 6.4.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 29 paras. 9\(2\)\(a\), 12\(1\)](#)
- F14** Words in Sch. 32 para. 11(6) substituted (retrospective to 6.4.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 29 paras. 9\(2\)\(b\), 12\(1\)](#)
- F15** Sch. 32 para. 11(7A)(7B) inserted (retrospective to 6.4.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 29 paras. 9\(3\), 12\(1\)](#)
- F16** Sch. 32 para. 11(8) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 8\(4\), 64\(1\)](#)

#### Commencement Information

- I11** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

#### *Benefit crystallisation event 3: permitted margin*

- 12 (1) This paragraph applies for the purposes of benefit crystallisation event 3 if the individual became entitled to the pension before 6th April 2006.
- (2) The permitted margin is the greater of—
- (a) what would be the permitted margin at that time if the individual had become entitled to the pension on or after that date (see paragraph 11), and
  - (b) the amount by which the annual amount of the pension at the rate at which it was payable on the day on which the individual became entitled to it would be greater if it had been increased for the whole of the period specified in sub-paragraph (3) of that paragraph at the rate of P% per annum.
- (3) “P%” is the percentage by which, in accordance with the rules of the pension scheme immediately before 6th April 2006, the annual rate of the pension is to be increased each year.
- [<sup>F17</sup>(4) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining for the purposes of this paragraph the annual amount of the pension at the rate at which it was payable on the day on which the individual became entitled to it.]

#### Textual Amendments

- F17** Sch. 32 para. 12(4) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 8\(5\), 64\(1\)](#)

#### Commencement Information

- I12** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

#### *Benefit crystallisation event 3: meaning of “XP”*

- 13 (1) For the purposes of benefit crystallisation event 3 “XP” is (subject to sub-paragraph (2)) the amount by which—
- (a) the increased annual rate of the pension, exceeds
  - (b) the rate at which it was payable on the day on which the individual became entitled to it, as increased by the permitted margin.



*Status: Point in time view as at 08/04/2010.*

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- [<sup>F18</sup>(2) But if one or more benefit crystallisation events has or have previously occurred by reason of the individual having become entitled to payment of the pension at an increased rate, XP does not include the amount of XP on that event or the aggregate of the amounts of XP on those events.
- (2A) For the purposes of sub-paragraph (2), the amount of XP on a previous benefit crystallisation event is to be increased by whichever of calculation A and calculation B gives the greater amount.
- (2B) Calculation A involves increasing the amount of XP on the previous event at the relevant annual percentage rate for the whole of the period—
- (a) beginning with the month in which the previous event occurred, and
  - (b) ending with the month in which the individual becomes entitled to payment of the pension at the increased rate.
- (2C) The relevant annual percentage rate has the same meaning as in paragraph 11(4).
- (2D) Calculation B involves increasing the amount of XP on the previous event by the relevant indexation percentage.
- (2E) The relevant indexation percentage is—
- (a) if the retail prices index for the reference month is higher than the retail prices index for the base month, the percentage increase in the retail prices index, and
  - (b) if it is not, 0%.
- (2F) The scheme administrator may select as the reference month any month in the period of 12 months ending with the month in which the individual becomes entitled to payment of the pension at the increased rate.
- (2G) The base month is the month which is the same number of months before the month in which the previous event occurred, as the reference month is before the month in which the individual becomes entitled to payment of the pension at the increased rate.]
- [<sup>F19</sup>(3) If the pension is under a public service pension scheme, any abatement of the pension is to be left out of account in determining for the purposes of sub-paragraph (1)—
- (a) the increased annual rate of the pension, and
  - (b) the rate at which it was payable on the day on which the individual became entitled to it.]

[<sup>F20</sup>(4) If the rate at which the pension is payable is reduced so as to reflect the amount of any tax under section 215 to be paid by the scheme administrator, that reduction is to be left out of account in determining the rate at which the pension is payable for the purposes of sub-paragraph (1)(a).

(5) And if the reduction is such that, in accordance with normal actuarial practice, it would be taken fully to reflect the amount of the tax, the tax is not to be treated as tax paid by the scheme administrator for the purposes of section 215(9).]

#### Textual Amendments

- F18** Sch. 32 para. 13(2)-(2G) substituted for Sch. 32 para. 13(2) (retrospective and with effect in accordance with Sch. 29 para. 12(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 29 paras. 10, 12\(3\)](#)

*Status: Point in time view as at 08/04/2010.*

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- F19** Sch. 32 para. 13(3) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 8(6)**, 64(1)  
**F20** Sch. 32 para. 13(4)(5) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 43(5)**, 64(1)

**Modifications etc. (not altering text)**

- C4** Sch. 32 para. 13(4)(5) modified (6.4.2006) by [The Registered Pension Schemes \(Splitting of Schemes\) Regulations 2006 \(S.I. 2006/569\)](#), regs. 1(1), 3(1)(2), **Sch. 3 Pt. 1**

**Commencement Information**

- I13** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

*Benefit crystallisation event 5: meaning of “DP” and “DSLS”*

- 14 (1) For the purposes of benefit crystallisation event 5 “DP” is the annual rate of the scheme pension to which the individual would be entitled if, on the date on which the individual reaches 75, the individual acquired an actual (rather than a prospective) right to receive it.

[<sup>F21</sup>(1A) If the rate at which the scheme pension would be payable would be reduced so as to reflect the amount of any tax under section 215 to be paid by the scheme administrator, that reduction is to be left out of account in determining the rate at which the pension would be payable for the purposes of sub-paragraph (1).

(1B) And if the reduction is such that, in accordance with normal actuarial practice, it would be taken fully to reflect the amount of the tax, the tax is not to be treated as tax paid by the scheme administrator for the purposes of section 215(9).]

(2) For the purposes of benefit crystallisation event 5 “DSLS” is [<sup>F22</sup>so much] of any lump sum to which the individual would be entitled (otherwise than by way of commutation of pension) [<sup>F23</sup>as would be paid to the individual] if, on that date, the individual acquired an actual (rather than a prospective) right to receive it.

**Textual Amendments**

- F21** Sch. 32 para. 14(1A)(1B) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 43(7)**, 64(1)  
**F22** Words in Sch. 32 para. 14(2) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 43(8)(a)**, 64(1)  
**F23** Words in Sch. 32 para. 14(2) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 43(8)(b)**, 64(1)

**Modifications etc. (not altering text)**

- C5** Sch. 32 para. 14(1A)(1B) modified (6.4.2006) by [The Registered Pension Schemes \(Splitting of Schemes\) Regulations 2006 \(S.I. 2006/569\)](#), regs. 1(1), 3(1)(2), **Sch. 3 Pt. 1**

**Commencement Information**

- I14** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

*Benefit crystallisation event 6: meaning of “relevant lump sum”*

- 15 For the purposes of benefit crystallisation event 6 a lump sum is a relevant lump sum if it is—

*Status: Point in time view as at 08/04/2010.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, SCHEDULE 32. (See end of Document for details)*

- (a) a pension commencement lump sum,
- (b) a serious ill-health lump sum, or
- (c) a lifetime allowance excess lump sum.

**Modifications etc. (not altering text)**

- C6** Sch. 32 para. 15 modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), **25(1)(2)(5)**

**Commencement Information**

- I15** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

*Benefit crystallisation event 7: meaning of “relevant lump sum death benefit”*

- 16 For the purposes of benefit crystallisation event 7 a lump sum death benefit is a relevant lump sum death benefit if it is—
- (a) a defined benefits lump sum death benefit, or
  - (b) an uncrystallised funds lump sum death benefit.

**Commencement Information**

- I16** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

*Benefit crystallisation event 8: prevention of overlap with other events*

- 17 (1) This paragraph applies for the purposes of benefit crystallisation event 8.
- (2) Where any of the sums or assets transferred represent the whole or part of the individual’s unsecured pension fund, the amount crystallised by the event is to be reduced by the amount (or the appropriate proportion of the amount) previously crystallised on the designation of the sums or assets as available for the payment of unsecured pension.
- (3) Where after the transfer a scheme pension to which the individual has become entitled before the transfer is to be payable out of sums or assets transferred, the amount crystallised by the event is to be reduced by the amount (or the appropriate proportion of the amount) previously crystallised in relation to the scheme pension.

**Commencement Information**

- I17** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

**Status:**

Point in time view as at 08/04/2010.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2004, SCHEDULE 32.