

SCHEDULES

SCHEDULE 16

BENEFITS UNDER PENSION SCHEMES

PART 2

CONSEQUENTIAL AMENDMENTS

Finance Act 2004

- 82 (1) Schedule 36 (transitional provisions and savings) is amended as follows.
- (2) In paragraph 20 (amount of lifetime allowance available to person who had right to payment of pension on 5 April 2006), for sub-paragraph (4) substitute—
- “(4) In the case of drawdown pension, ARP is—
- (a) the maximum amount that may be paid in the drawdown pension year in which the time falls in accordance with pension rule 5 (see section 165), or
 - (b) in the case of an arrangement to which subsection (3A) of section 165 applies, the maximum amount that could have been paid in accordance with that rule in the drawdown pension year in which that subsection first applied to the arrangement if it had not so applied.”
- (3) In paragraph 28 (lump sum rights for members with enhanced protection), in sub-paragraph (3), for “sub-paragraphs (5) to (7)” substitute “sub-paragraphs (5) to (7A)”.
- (4) In paragraph 29 (lump sum rights for members with enhanced protection)—
- (a) in sub-paragraph (2), in the text treated as substituted for sub-paragraphs (1) to (3) of paragraph 3 of Schedule 29, for “unsecured pension” (in both places) substitute “drawdown pension”;
 - (b) in sub-paragraph (3), in the text treated as substituted for sub-paragraphs (5) to (7A) of that paragraph—
 - (i) for “member’s unsecured pension fund” substitute “member’s drawdown pension fund”, and
 - (ii) for the definition of “AC” substitute—

“AC is—

 - (a) in a case where the member becomes entitled to the pension before reaching the age of 75, the amount crystallised by reason of the member becoming entitled to the pension, and
 - (b) in a case where the member becomes entitled to the pension after reaching that age, the amount that would have been so crystallised but for paragraph 2 of Schedule 32.”

Status: This is the original version (as it was originally enacted).

- (5) In paragraph 34 (entitlement to lump sums exceeding 25% of uncrystallised rights), in sub-paragraph (2), in the text treated as substituted for sub-paragraphs (5) to (8) of paragraph 2 of Schedule 29, for the definition of “AC” substitute—
- “AC is—
- (a) in a case where the member becomes entitled to the pension in connection with which the lump sum is paid before reaching the age of 75, the amount crystallised by reason of the member becoming entitled to the pension, and
- (b) in a case where the member becomes entitled to that pension after reaching that age, the amount that would have been so crystallised but for paragraph 2 of Schedule 32,
- (but this is subject to sub-paragraphs (7AA) and (7B)),”.
- (6) In paragraph 36 (right to payment of lump sum death benefit)—
- (a) in sub-paragraph (3)—
- (i) after paragraph (a) insert “and”, and
- (ii) omit paragraph (c) (and the “and” before it);
- (b) omit sub-paragraphs (4) and (8);
- (c) in sub-paragraph (9)—
- (i) for “, annuity protection lump sum death benefit or unsecured pension fund lump sum death benefit” substitute “or annuity protection lump sum death benefit”, and
- (ii) for “sub-paragraphs (3) to (8)” substitute “sub-paragraphs (3) to (7)”;
- (d) in sub-paragraph (10)(a), for “, annuity protection lump sum death benefit or unsecured pension fund lump sum death benefit” substitute “or annuity protection lump sum death benefit”;
- (e) in sub-paragraph (11), in the definition of “TPLS”, for “, annuity protection lump sum death benefit or unsecured pension fund lump sum death benefit” substitute “or annuity protection lump sum death benefit”.