

*Status: Point in time view as at 26/03/2013.*

*Changes to legislation: Finance Act 2011, Cross Heading: Previous limit on amount of pension payable in year to apply for limited period is up to date with all changes known to be in force on or before 04 October 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 16

#### BENEFITS UNDER PENSION SCHEMES

#### PART 3

##### COMMENCEMENT AND TRANSITIONAL PROVISION

*Previous limit on amount of pension payable in year to apply for limited period*

- 98 (1) This paragraph applies in the case of a person who, immediately before 6 April 2011—
- (a) was entitled to dependants' unsecured pension, and
  - (b) had not reached the age of 75.
- (2) Where, immediately before 6 April 2011, the last reference period to begin before that date has not ended—
- (a) pension death benefit rule 4 in section 167 of FA 2004 has effect in relation to every drawdown pension year<sup>[F1]</sup> beginning before 26 March 2013 and ending on or before the relevant date as if for “100%” there were substituted “120%”, and
  - (b) paragraph 24 of Schedule 28 to FA 2004 has effect with the following modifications—
    - (i) the reference in sub-paragraph (1) to the first drawdown pension year is to be read as a reference to the first drawdown pension year beginning after the relevant date;
    - (ii) any reference in sub-paragraphs (1ZA) to (1C) to a reference period is to be read as including a reference to the current reference period.
- (3) The “relevant date” is the earlier of the following—
- (a) the day on which the current reference period ends, and
  - (b) if a transfer within sub-paragraph (5) occurs in relation to the person, the day on which the drawdown pension year in which the transfer takes place ends.
- (4) Subject to the operation of paragraph 24(1ZA) and (1B) of Schedule 28 to FA 2004, “the current reference period” is the period of 5 years beginning before 6 April 2011 and comprising—
- (a) the drawdown pension year in which that date falls,
  - (b) any unsecured pension years that—
    - (i) began after the end of the last reference period ending before that date, and
    - (ii) ended before that date,
- and

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- (c) if the sum of the years falling within paragraphs (a) and (b) is less than five, one or more drawdown pension years beginning after that date.
- (5) A transfer is within this sub-paragraph if—
- (a) it takes place on or after 6 April 2011, and
  - (b) it is a recognised transfer for the purposes of Part 4 of FA 2004 (see section 169 of that Act).
- (6) For the purposes of pension death benefit rule 4 in section 167 of FA 2004, the amount which, immediately before 6 April 2011, was by virtue of paragraph 24 of Schedule 28 to FA 2004 the basis amount for the last unsecured pension year continues, on and after that date, to be the basis amount for every drawdown pension year ending on or before the relevant date.
- This is subject to sub-paragraphs (4)(b) and (5) of that paragraph.
- (7) Paragraph 24(4) of Schedule 28 to FA 2004 has effect for drawdown pension years beginning after 6 April 2011 and ending on or before the relevant date as it has effect for drawdown pension years falling within any reference period beginning after the relevant date, but as if—
- (a) paragraph (a) were omitted,
  - (b) in paragraph (b), for “otherwise” there were substituted “ if there has been a recent annuity, recent additional fund designation or recent pension sharing event ”, and
  - (c) in paragraph 24(9) of that Schedule—
    - (i) the reference to the reference date were a reference to the day on which the last unsecured pension year began, and
    - (ii) the reference to the immediately preceding drawdown pension year included, in the case of a drawdown pension year beginning on 6 April 2011, a reference to the last unsecured pension year.
- (8) In paragraph 24(7) to (8A) of that Schedule any reference to dependants' drawdown pension or the dependant's drawdown pension fund is to be read as including, in relation to anything occurring before 6 April 2011, a reference to dependants' unsecured pension or the dependant's unsecured pension fund.

#### Textual Amendments

**F1** Words in [Sch. 16 para. 98\(2\)\(a\)](#) inserted (26.3.2013 retrospective) by [Finance Act 2013 \(c. 29\), s. 50\(3\)\(c\)\(5\)](#)

- 99 (1) This paragraph applies in the case of a person who—
- (a) reached the age of 75 on or after 22 June 2010 and before 6 April 2011, and
  - (b) immediately before 6 April 2011, was entitled to dependants' unsecured pension.
- (2) Where the last unsecured pension year began on or after 7 April 2010—
- (a) pension death benefit rule 4 in section 167 of FA 2004 has effect in relation to that year as if for “100%” there were substituted “ 120% ”, and
  - (b) for the purposes of that pension death benefit rule, the amount which, immediately before 6 April 2011, was the basis amount for that year by virtue

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of paragraph 24 of Schedule 28 to FA 2004 continues, on and after that date, to be the basis amount for that year.

- (3) The amendments made by paragraph 19 of this Schedule have effect in relation to drawdown pension years beginning on or after 6 April 2011.

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