
STATUTORY INSTRUMENTS

2006 No. 572

The Taxation of Pension Schemes
(Transitional Provisions) Order 2006

Pre-commencement lump sum death benefits

20.—(1) In the case of an individual who dies on or after 6th April 2006 and meets the conditions in paragraph (2) paragraph (3) applies.

(2) The conditions are—

Condition A

The individual had an actual right to one or more pre-commencement pensions immediately before his death.

Condition B

No benefit crystallisation event has occurred in relation to the individual before his death.

Condition C

After the individual's death a single benefit crystallisation event occurs in relation to that individual by reason of the payment of a lump sum death benefit in respect of that individual.

(3) Paragraph 20(2)(b) of Schedule 36 is to be treated as providing that the amount crystallised was the value of the individual's pre-commencement pension rights immediately before the individual's death.