

STATUTORY INSTRUMENTS

2006 No. 572

**The Taxation of Pension Schemes
(Transitional Provisions) Order 2006**

Modification of paragraph 34 of Schedule 36

23.—(1) In a case to which this article applies, paragraph 34 of Schedule 36 is modified as follows.

(2) In sub-paragraph (2) for the words from “pension scheme and for” to the end of the paragraph (7) (as substituted) substitute—

“pension scheme and for sub-paragraphs (5) to (8) there were substituted—

“(5) If paragraph 2(2) does not apply, relevant benefit accrual has occurred in relation to the individual after 5th April 2006 and there has been a transfer of part or all of the sums and assets held for the purposes of, or representing accrued rights under, the registered pension scheme in relation to the individual, the permitted maximum is the greater of—

$$\left(\text{VULSR} \times \begin{pmatrix} \text{CLSA} \\ \text{FLSA} \end{pmatrix} \right), \text{ ALSA} \quad \frac{\text{TV}}{4}$$

and nil.

(6) If paragraph 2(2) does not apply and relevant benefit accrual has not occurred under the pension scheme in relation to the individual after 5th April 2006 and there has been a transfer of part or all of the sums and assets held for the purposes of, or representing accrued rights under, the registered pension scheme in relation to the individual, the permitted maximum is the greater of—

$$\left(\text{VULSR} \times \begin{pmatrix} \text{CLSA} \\ \text{FLSA} \end{pmatrix} \right) \quad \frac{\text{TV}}{4}$$

and nil.

(7) In this paragraph—

VULSR is the value of the individual’s uncrystallised lump sum rights under the pension scheme on 5th April 2006, calculated in accordance with paragraph 32 of Schedule 36,

CSLA is the current standard lifetime allowance,

FLSA is £1,500,000 (the standard lifetime allowance for the tax year 2006–07),

ALSA is the greater of the additional lump sum amount and nil; and

TV is the value of all sums and assets held for the purposes of, or representing accrued rights under the registered pension scheme transferred from the scheme on or after 6th April 2006.””.