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STATUTORY INSTRUMENTS

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**2006 No. 572**

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

**Payments to dependants over the age of 23**

**34.**—(1) Paragraph (2) applies in the case of a payment of a pension death benefit by a registered pension scheme which—

- (a) meets the conditions set out in paragraph (4), (5) or (6) below, and
- (b) falls within paragraph 1(1) of Schedule 36.

(2) Paragraph 15(2) of Schedule 28 shall be modified, in a case to which this paragraph applies, as follows.

(3) At the end of paragraph (a) omit the word “or” and after paragraph (b) insert—

- “(c) has reached that age and is in full time education or undertaking vocational training,  
or
- (d) on reaching that age or, if later, on ceasing full time education or vocational training is, in the opinion of the scheme administrator, suffering from physical or mental deterioration which is sufficiently serious to prevent the individual from following a normal employment or which would seriously impair his earning capacity.”.

(4) The conditions are as follows.

*Condition A*

The pension was in payment to a child of the member (“the child”) on 5<sup>th</sup> April 2006 or the member had died on or before that date and a pension was due to come into payment to the child.

*Condition B*

The rules of the pension scheme allowed a pension to be paid to a child of the member following the death of that member until the child ceased full-time education or vocational training or reached a specified age before completing full-time education or vocational training.

(5) The conditions are as follows.

*Condition A*

The pension was in payment to a member on 5th April 2006.

*Condition B*

The rules of the pension scheme allowed a pension to be paid to a child of the member following the death of that member until the child ceased full-time education or vocational training or reached a specified age before completing full-time education or vocational training.

*Condition C*

The child was born on or before 5th April 2007.

(6) The conditions are as follows.

*Condition A*

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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The rules of the pension scheme on 10 December 2003, allowed an irrevocable election to be made designating part of the sums or assets representing the member's rights as available for the payment of a pension to a child of the member following the death of that member until the child ceased full-time education or vocational training.

*Condition B*

Such an election had been made by the member and accepted by the scheme administrator on or before 5<sup>th</sup> April 2006.

(7) In this Article "pension" has the meaning given in section 165(2).