
STATUTORY INSTRUMENTS

2006 No. 744

The Taxation of Pension Schemes (Consequential Amendments of Occupational and Personal Pension Schemes Legislation) Order 2006

PART 2

Amendment of Subordinate Legislation applicable to Great Britain

Amendment of the Occupational Pension Schemes (Discharge of Liability) Regulations 1997

13.—(1) Amend the Occupational Pension Schemes (Discharge of Liability) Regulations 1997⁽¹⁾ as follows.

(2) In regulation 4 (conditions on which policies of insurance and annuity contracts may be commuted)—

(a) for paragraph (1) substitute—

“(1) The requirements referred to in section 19(4)(c) of the 1993 Act (policy of insurance or annuity contract appropriate where commutation conditional on satisfying prescribed requirements) are that—

(a) the amount secured by the policy of insurance or annuity contract does not exceed the amount for the time being permitted for a lump sum payment by—

(i) the lump sum rule in section 166 of the Finance Act 2004 and qualifies as a trivial commutation lump sum for the purposes of paragraph 7 of Part 1 of Schedule 29 to that Act; or

(ii) the lump sum death benefit rule in section 168 of that Act and qualifies as a trivial commutation lump sum death benefit for the purposes of paragraph 20 of Part 2 of Schedule 29 to that Act; or

(b) subject to paragraph (2), the earner requests or consents to the amount secured by the policy of insurance or annuity contract being paid as a lump sum and that payment does not exceed the amount for the time being permitted for a lump sum payment by the lump sum rule in section 166 of that Act and qualifies as a serious ill-health lump sum for the purposes of paragraph 4 of Part 1 of Schedule 29 to that Act.”;

(b) in paragraph (2) omit “the earner’s and”;

(c) in paragraph (3) omit sub-paragraph (a); and

(d) omit paragraph (4).

(3) In regulation 11 (conditions on which liability to provide pensions under a relevant scheme may be discharged), in paragraph (3)(d)(i), omit “has attained the age of 50 and”.

⁽¹⁾ [S.I. 1997/784](#); relevant amending instruments are [S.I. 1999/3198](#), [2005/704](#), [2050](#) and [3164](#).

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