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STATUTORY INSTRUMENTS

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**2007 No. 829**

**The Taxation of Pension Schemes (Protected Rights and Pension Commencement Lump Sums) (Amendment) Order 2007**

**Consequential amendment of the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996**

4. In the Personal and Occupational Pensions Schemes (Protected Rights) Regulations 1996(1)—
- (a) in regulation 1(2) (interpretation), in the appropriate alphabetical places, insert—
    - ““income withdrawal” has the meaning given by paragraph 7 of Schedule 28 to the Finance Act 2004;
    - “lifetime annuity” has the meaning given by paragraph 3 of Schedule 28 to the Finance Act 2004;
    - “scheme pension” has the meaning given by paragraph 2 of Schedule 28 to the Finance Act 2004; and
    - “the scheme pension purchase price” has the meaning given by paragraph 3(7B) of Schedule 29 to the Finance Act 2004;”;
  - (b) for regulation 8(1D)(2) (giving effect to protected rights by the provision of a lump sum), substitute—
    - “(1D) The limit referred to in paragraph (1C) must not exceed—
      - (a) in respect of a scheme pension, the lesser of—
        - (i) one third of the value of the protected rights included in the scheme pension purchase price; or
        - (ii) the amount which represents the proportion (expressed in percentage terms) of the value of the protected rights which is equal to the percentage that the pension commencement lump sum bears to the scheme pension purchase price and the pension commencement lump sum; or
      - (b) in respect of a lifetime annuity or income withdrawal, the lesser of—
        - (i) 25 per cent. of the member’s protected rights which are crystallised by the member’s benefit crystallisation event 6 and the relevant pension benefit crystallisation event connected with event 6 (“the member’s benefit crystallisation events”); or
        - (ii) the amount which represents the proportion (expressed in percentage terms) of the value of the protected rights which is equal to the percentage that the pension commencement lump sum bears to the amount crystallised by the member’s benefit crystallisation events.”.

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(1) 1996/1537, relevant amending instruments are S.I. 1997/786, 1999/3198, 2005/704 and 2050 and 2006/744.

(2) Regulation 8(1) and (1A) to (1F) was substituted for the original regulation 8(1) by S.I. 2006/744.