
STATUTORY INSTRUMENTS

2013 No. 1117

**The Pension Protection Fund (Tax)
(Amendment) Regulations 2013**

Amendment of the Pension Protection Fund (Tax) Regulations 2006

11. For regulation 42 substitute—

“**42.** Unless it is a lump sum falling within any of paragraphs (a) to (c) of regulation 42A, a lump sum paid under any of the following provisions is treated as if it were a lump sum paid under a registered pension scheme to which section 636A of ITEPA 2003⁽¹⁾ (exemption for certain lump sums under registered pension schemes) applies—

- (a) Schedule 7 to the Pensions Act or Schedule 6 to the Pensions Order (pension compensation provisions), or
- (b) Schedule 5 to PA 2008 or Schedule 4 to P(No. 2)A(NI) 2008 (pension compensation provisions).

42A. Each of the following is to be treated as if it were a lump sum, paid to a member under a registered pension scheme, in relation to which section 636B of ITEPA 2003⁽²⁾ (trivial commutation and winding-up lump sums) applies—

- (a) a PPF money purchase lump sum,
- (b) a lump sum under paragraph 24 of Schedule 7 to the Pensions Act or paragraph 24 of Schedule 6 to the Pensions Order (commutation of periodic compensation), where the portion of periodic compensation commuted exceeds 25%, and
- (c) a lump sum under paragraph 9 of Schedule 5 to PA 2008 or paragraph 9 of Schedule 4 to P(No. 2)A(NI) 2008 (commutation of periodic compensation), where the portion of periodic compensation commuted exceeds 25%.”

(1) 2003 c. 1; section 636A was inserted by paragraphs 1 and 11 of Schedule 31 to the Finance Act 2004 and amended by paragraphs 28 and 29(3) of Schedule 19 and Part 3(1) of Schedule 27 to the Finance Act 2007 (c. 11) and Part 1 of Schedule 16 to the Finance Act 2011 (c. 11) and applied by S.I. 2006/569, 2006/572.

(2) Section 636B was inserted by paragraphs 1 and 11 of Schedule 31 to the Finance Act 2004 and amended by paragraph 59 of Schedule 10 to the Finance Act 2005 and applied by S.I. 2006/572.