

## SCHEDULES

### SCHEDULE 36

#### PENSION SCHEMES ETC: TRANSITIONAL PROVISIONS AND SAVINGS

##### PART 3

##### PRE-COMMENCEMENT BENEFIT RIGHTS

##### *Right to payment of lump sum death benefit*

- 36 (1) This paragraph applies to a member of a registered pension scheme if on 5th April 2006—
- (a) the pension scheme is within any of paragraphs (a) to (e) of paragraph 1(1),
  - (b) the member has an actual (rather than a prospective) right to a pension under an arrangement under the pension scheme, and
  - (c) under the arrangement a lump sum death benefit is payable if the member dies within the guarantee period.
- (2) The guarantee period is the period of five years beginning with the day on which the member became entitled to the pension or, if later, the day on which the pension was first paid.
- (3) If the member dies after having reached the age of 75 and before the end of the guarantee period—
- (a) paragraph 14 of Schedule 29 (pension protection lump sum death benefit),
  - (b) paragraph 16 of that Schedule (annuity protection lump sum death benefit), and
  - (c) paragraph 17 of that Schedule (unsecured pension fund lump sum death benefit),
- apply in relation to the member and the arrangement with the following modifications.
- (4) Each of those paragraphs applies as if sub-paragraph (1)(a) were omitted.
- (5) Paragraph 14 (1) applies as if paragraph (d) were omitted.
- (6) Paragraph 14(2) applies as if the reference to the pension protection limit were to the transitional protection limit.
- (7) Paragraph 16(2) applies as if the reference to the annuity protection limit were to the transitional protection limit.
- (8) Paragraph 17(3) applies in relation to a lump sum falling within paragraph 17 (1) as if the reference to the permitted maximum were to the transitional protection limit.

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*Status: This is the original version (as it was originally enacted).*

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- (9) Section 206 (1) (special lump sum death benefits charge) does not apply to any pension protection lump sum death benefit, annuity protection lump sum death benefit or unsecured pension fund lump sum death benefit paid by virtue of subparagraphs (3) to (8).
- (10) If the member dies before having reached the age of 75 and before the end of the guarantee period—
- (a) section 206 (1) does not apply to so much of any pension protection lump sum death benefit, annuity protection lump sum death benefit or unsecured pension fund lump sum death benefit paid under the arrangement as does not exceed the transitional protection limit, and
  - (b) if the arrangement is a defined benefits arrangement, paragraph 14(1)(d) of Schedule 29 is to be treated as satisfied in relation to so much of the lump sum death benefit paid under the arrangement as does not exceed the transitional protection limit.
- (11) The transitional protection limit is—

**P T P L S**

where—

P is the amount of pension to which (had the member lived) the member would have been entitled under the arrangement in respect of the period beginning with the day of the member's death and ending with the last day of the guarantee period, and

TPLS is the amount of any pension protection lump sum death benefit, annuity protection lump sum death benefit or unsecured pension fund lump sum death benefit previously paid in respect of the pension.