
Status: Point in time view as at 19/07/2011.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, SCHEDULE 22. (See end of Document for details)

SCHEDULES

SCHEDULE 22

Section 160

PENSION SCHEMES: INHERITANCE TAX

Introductory

1 IHTA 1984 is amended as follows.

Dispositions

2 In section 12 (dispositions conferring retirement benefits), after subsection (2) insert—

“(2A) Subsection (2B) below applies where a person who is a member of a registered pension scheme, and who has not reached the age of 75, has omitted to exercise pension rights under the pension scheme and, if the words “(or latest time)” were omitted from subsection (3) of section 3 above,—

- (a) that subsection would have treated the person as having made a disposition by reason of omitting to exercise the pension rights, but
- (b) section 10 above would have prevented the disposition being a transfer of value.

(2B) Section 3(3) above does not actually treat the person as making a disposition by reason of omitting to exercise the pension rights (at the latest time when the person could have exercised them) unless the condition in subsection (2C) below is satisfied.

(2C) That condition is that—

- (a) the person makes an actual pensions disposition under the pension scheme which is not prevented from being a transfer of value by section 10 above within the period of two years ending with the date of his death, and
- (b) it is not shown that, when he made the actual pensions disposition, he had no reason to believe that he would die within that period.

(2D) A disposition treated by virtue of section 3(3) above as made by any person who is a member of a registered pension scheme, and who has not reached the age of 75, by reason of omitting to exercise pension rights under the pension scheme is not a transfer of value to the extent that it results in—

- (a) the provision of a lump sum death benefit or pension death benefit (or both) to a relevant dependant, or
- (b) the making of a payment to a charity.

(2E) A disposition made by a person who is a member of a registered pension scheme, and who has reached the age of 75, is not a transfer of value if the disposition consists in the person—

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^{F2}(3)

Textual Amendments

F2 Sch. 22 para. 10(3) omitted (with effect in accordance with Sch. 16 paras. 85, 107 of the amending Act) by virtue of Finance Act 2011 (c. 11), **Sch. 16 para. 84(b)(i)**

Rates of tax

11 ^{F3}

Textual Amendments

F3 Sch. 22 para. 11 repealed (with effect in accordance with Sch. 19 of the amending Act) by Finance Act 2007 (c. 11), **s. 114**, {Sch. 27 Pt. 3(1) Note}

Transitional

^{F4}12

Textual Amendments

F4 Sch. 22 para. 12 omitted (with effect in accordance with Sch. 16 paras. 85, 107 of the amending Act) by virtue of Finance Act 2011 (c. 11), **Sch. 16 para. 84(b)(i)**

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