

SCHEDULES

SCHEDULE 28

INHERITANCE OF TAX-RELIEVED PENSION SAVINGS

Amendments of Part 4 of FA 2004

- 4 (1) Section 172B (increase in rights of connected person on death) is amended as follows.
- (2) In subsection (2), at the end of paragraph (a) (but before the “or”) insert—
- “(aa) rights to payments under a scheme pension or dependants' scheme pension provided by the scheme administrator or as a result of the application of sums or assets held for the purposes of the pension scheme or under a lifetime annuity or dependants' annuity purchased by the application of sums or assets held for the purposes of the pension scheme,”.
- (3) In subsections (3)(a) and (7)(b), for “is actually or prospectively entitled” substitute “has an actual or prospective entitlement”.
- (4) In subsection (7)—
- (a) omit paragraph (a) (including the “and” at the end), and
- (b) in paragraph (b), for “them” substitute “at least 20 members of the pension scheme”.
- (5) After subsection (7) insert—
- “(7A) This section does not apply if—
- (a) the increase mentioned in subsection (1)(a) is an increase in the rate of a dependants' annuity or dependants' scheme pension or in rights representing a dependants' unsecured pension fund or dependants' alternatively secured pension fund, and
- (b) the increase is attributable to rights of the dead member to payments under a dependants' annuity or dependants' scheme pension or rights representing a dependants' unsecured pension fund.
- (7B) References in this section to a benefit to which the member or a person has an entitlement under the pension scheme includes rights to payments under—
- (a) a scheme pension or dependants' scheme pension provided by the scheme administrator or as a result of the application of sums or assets held for the purposes of the pension scheme, or
- (b) a lifetime annuity or dependants' annuity purchased by the application of sums or assets held for the purposes of the pension scheme.”