
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Paragraph 24. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 1

DRAWDOWN PENSIONS

Further drawdown amendments

24 In Schedule 29 after paragraph 17 insert—

“Flexi-access drawdown fund lump sum death benefit

- 17A (1) For the purposes of this Part a lump sum death benefit is a flexi-access drawdown fund lump sum death benefit if—
- (a) it is paid in respect of income withdrawal to which the member was entitled to be paid from the member's flexi-access drawdown fund in respect of an arrangement at the date of the member's death, and
 - (b) it is not a charity lump sum death benefit.
- (2) A lump sum death benefit is also a flexi-access drawdown fund lump sum death benefit if—
- (a) it is paid on the death of a dependant of the member,
 - (b) it is paid in respect of dependants' income withdrawal to which the dependant was at the date of the dependant's death entitled to be paid from the dependant's flexi-access drawdown fund in respect of an arrangement relating to the member, and
 - (c) it is not a charity lump sum death benefit.
- (3) A lump sum death benefit is also a flexi-access drawdown fund lump sum death benefit if—
- (a) it is paid on the death of a nominee of the member,
 - (b) it is paid in respect of nominees' income withdrawal to which the nominee was at the date of the nominee's death entitled to be paid from the nominee's flexi-access drawdown fund in respect of an arrangement relating to the member, and
 - (c) it is not a charity lump sum death benefit.
- (4) A lump sum death benefit is also a flexi-access drawdown fund lump sum death benefit if—
- (a) it is paid on the death of a successor of the member,

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- (b) it is paid in respect of successors' income withdrawal to which the successor was at the date of the successor's death entitled to be paid from the successor's flexi-access drawdown fund in respect of an arrangement relating to the member, and
 - (c) it is not a charity lump sum death benefit.
- (5) But if the amount of a lump sum falling within sub-paragraph (1), (2), (3) or (4) exceeds the permitted maximum, the excess is not a flexi-access drawdown fund lump sum death benefit.
- (6) The permitted maximum is the aggregate of—
 - (a) the amount of the sums, and
 - (b) the market value of the assets,representing the member's, dependant's, nominee's or successor's flexi-access drawdown fund in respect of the arrangement immediately before the payment is made.”

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