
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Paragraph 57. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 3

PENSION PAYMENTS OUT OF UNCRYSTALLISED FUNDS

Definitions etc

57 In Schedule 29 (supplementary provision about authorised lump sums) after paragraph 4 insert—

“Uncrystallised funds pension lump sum

- 4A (1) For the purposes of this Part a lump sum is an uncrystallised funds pension lump sum if—
- (a) it is paid on or after 6 April 2015 in respect of a money purchase arrangement,
 - (b) it is paid when all or part of the member's lifetime allowance is available,
 - (c) it is paid when the member has reached normal minimum pension age (or the ill-health condition is met),
 - (d) it is not a pension commencement lump sum,
 - (e) it is not a lump sum that, for the purposes of Part 9 of ITEPA 2003 (pension income), is treated by regulations under section 164(1)(f) and (2) as a trivial commutation lump sum paid to the member,
 - (f) immediately before the member becomes entitled to it, the sums or assets that are to be used to provide it—
 - (i) represent rights of the member under the scheme that are uncrystallised rights as defined by section 212(1) and (2), but
 - (ii) do not to any extent represent rights attributable to a disqualifying pension credit, and
 - (g) none of sub-paragraphs (3) to (5) applies to the member.
- (2) But if a lump sum falling within sub-paragraph (1)—
- (a) is paid when the member has not reached the age of 75, and
 - (b) exceeds the member's available lifetime allowance,
- the excess is not an uncrystallised funds pension lump sum.
- (3) This sub-paragraph applies to the member if—

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- (a) paragraph 12 of Schedule 36 applies to the member (enhanced protection from 6 April 2006) immediately before the sum is paid, and
 - (b) the lump sum condition (see paragraphs 24(2) and (3), 25 and 26 of Schedule 36) is met in relation to the member.
- (4) This sub-paragraph applies to the member if—
 - (a) paragraph 7 of Schedule 36 makes provision for the operation of a lifetime allowance enhancement factor in relation to the member immediately before the sum is paid, and
 - (b) the lump sum condition (see paragraphs 24(2) and (3), 25 and 26 of Schedule 36) is met in relation to the member.
- (5) This sub-paragraph applies to the member if—
 - (a) any of the provisions listed in sub-paragraph (6) makes provision for the operation of a lifetime allowance enhancement factor in relation to the member immediately before the sum is paid, and
 - (b) immediately before the sum is paid, the available portion of the member's lump sum allowance for the purposes of paragraph 2 of Schedule 29 is nil or less than 25% of the sum.
- (6) The listed provisions are—
 - (a) paragraph 7 of Schedule 36 (primary protection);
 - (b) section 220 (pension credits from previously crystallised rights);
 - (c) section 221 (non-residence arrangements);
 - (d) section 224 (transfers from recognised overseas pensions schemes);
 - (e) paragraph 18 of Schedule 36 (pre-commencement pension credits).
- (7) In sub-paragraph (1)(f) “disqualifying pension credit” is to be read in accordance with paragraph 2(3) and (4).”

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