
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014,
Cross Heading: Trivial commutation lump sums and small pot lump sums. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 5

MISCELLANEOUS AMENDMENTS

Trivial commutation lump sums and small pot lump sums

- 71 (1) In paragraph 7(1) of Schedule 29 to FA 2004 (meaning of “trivial commutation lump sum”)—
- (a) after paragraph (a) insert—
 - “(aa) it is paid in respect of a defined benefits arrangement,”
 - (b) in paragraph (d) (entitlement to benefits must be extinguished) for “the member's entitlement to benefits” substitute “ any entitlement to defined benefits that the member has ”, and
 - (c) in paragraph (e) (member must have reached 60) for “the age of 60” substitute “ normal minimum pension age (or the ill-health condition is met) ”.
- (2) The amendments made by sub-paragraph (1) have effect for commutation periods beginning on or after 6 April 2015 and do so irrespective of whether the nominated date is before, on or after 6 April 2015.
- 72 (1) In article 23C(4) of the Taxation of Pension Schemes (Transitional Provisions) Order 2006 (S.I. 2006/572) (modifications of Schedule 29 to FA 2004) in the inserted paragraph 7A(1)(b) (member must have reached age 60 for certain sums to be trivial commutation lump sums) for “the age of 60” substitute “ normal minimum pension age (or the ill-health condition is met) ”.
- (2) The amendment made by sub-paragraph (1)—
- (a) has effect for determining whether a lump sum paid on or after 6 April 2015 is within the inserted paragraph 7A, and
 - (b) is to be treated as having been made by the Treasury under the powers to make orders conferred by section 283(2) of FA 2004.
- 73 (1) The Registered Pension Schemes (Authorised Payments) Regulations 2009 (S.I. 2009/1171) are amended as follows.
- (2) For regulation 10 substitute—

“Payments to members receiving annuities

- 10 A payment by a registered pension scheme to a member which would be a payment that is described in regulation 11, 11A(1)(a) to (c) or 12 but for the

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continuance after the payment of an annuity if the member has not previously received a payment, by that scheme, under this regulation.”

- (3) In each of regulations 11(1)(a), 11A(1)(a) and 12(1)(c) (member must have reached 60 for certain payments by registered pension scheme to be authorised payments) for “the age of 60” substitute “ normal minimum pension age or the ill-health condition is met (see paragraph 1 of Schedule 28) ”.
- (4) The amendments made by sub-paragraphs (2) and (3)—
- (a) have effect for payments made on or after 6 April 2015, and
 - (b) are to be treated as having been made by the Commissioners for Her Majesty's Revenue and Customs under the powers to make regulations conferred by section 164(1)(f) and (2) of FA 2004.

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