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**Changes to legislation:** There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Cross Heading: Uncrystallised funds lump sum death benefit. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 2

#### DEATH OF PENSION SCHEME MEMBER

#### PART 2

#### LUMP SUM DEATH BENEFITS

##### *Uncrystallised funds lump sum death benefit*

- 19 (1) In paragraph 15 of Schedule 29 to FA 2004 (uncrystallised funds lump sum death benefit)—
- (a) in sub-paragraph (1) omit the second sentence (lump sum is uncrystallised funds lump sum death benefit only if paid before end of relevant two-year period), and
  - (b) omit sub-paragraph (1A) (meaning of “relevant two-year period” in the second sentence of sub-paragraph (1)).
- (2) In paragraph 16 of Schedule 32 to FA 2004 (benefit crystallisation event 7: uncrystallised funds lump sum death benefit is a “relevant lump sum death benefit”)—
- (a) in sub-paragraph (b) after “benefit” insert “, other than one—
    - (i) paid by a registered pension scheme in respect of a member of the scheme who had not reached the age of 75 at the date of the member's death, but
    - (ii) not paid before the end of the relevant two-year period”, and
  - (b) after sub-paragraph (b) insert—

“In sub-paragraph (b)(ii) “the relevant two-year period”, in relation to a member of a registered pension scheme, means the period of two years beginning with the earlier of the day on which the scheme administrator of the scheme first knew of the member's death and the day on which the scheme administrator could first reasonably have been expected to have known of it.”
- (3) In section 636A of ITEPA 2003 (exemption for certain lump sums under registered pension schemes)—
- (a) in subsection (1) (lump sums on which there is no liability to income tax)—
    - <sup>F1</sup>(i) . . . . .
    - (ii) omit paragraph (e) and the “or” preceding it (uncrystallised funds lump sum death benefit paid in respect of member who dies under 75), and

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- (b) in subsection (4)(aa) (on uncrystallised funds lump sum death benefit paid in respect of member who dies having reached 75 there is no liability to income tax other than liability under section 206 of FA 2004) omit “paid in respect of a member who had reached the age of 75 at the date of the member's death”.
- (4) In consequence of sub-paragraphs (1) and (3) omit—
- (a) paragraphs 35(2)(c) and (3) and 42(2)(c) of Schedule 16 to FA 2011, and
  - (b) paragraph 28(2)(a) of Schedule 19 to FA 2007.

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**Textual Amendments**

- F1** Sch. 2 para. 19(3)(a)(i) omitted (with effect in accordance with s. 22(12) of the amending Act) by virtue of [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 22\(11\)\(b\)\(ii\)](#)

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