

SCHEDULES

SCHEDULE 5

PENSION FLEXIBILITY

Trivial commutation lump sum

- 8 (1) Section 636B of ITEPA 2003 (taxation of trivial commutation, and winding-up, lump sums) is amended as follows.
- (2) In subsection (3) (taxation of lump sum where member has uncrystallised rights under the pension scheme)—
- (a) in the words before paragraph (a) omit “(within the meaning of section 212 of FA 2004)”, and
 - (b) in paragraph (b), for “the uncrystallised rights calculated in accordance with that section” substitute “any uncrystallised rights extinguished by the lump sum”.
- (3) After subsection (4) insert—
- “(5) In this section “uncrystallised rights” has the same meaning as in section 212 of FA 2004; and the value for the purposes of this section of any uncrystallised rights is to be calculated in accordance with that section.”