

SCHEDULES

SCHEDULE 11

PERSONAL PENSIONS: INCOME WITHDRAWALS

Lump sum on death of member

8 For section 637 (lump sum on death of member) substitute—

“637 Death benefit.

The lump sum—

- (a) must be payable on the death of the member before he attains the age of 75, and
- (b) must be payable by an authorised insurance company.

637A Return of contributions on or after death of member.

- (1) The lump sum must be payable on or after the death of the member and represent no more than the return of contributions together with reasonable interest on contributions or bonuses out of profits, after allowing for any income withdrawals.

To the extent that contributions are invested in units under a unit trust scheme, the lump sum may represent the sale or redemption price of the units.

- (2) The lump sum must be payable only if—
 - (a) no annuity has been purchased by the member under the arrangements in question,
 - (b) no such annuity as is mentioned in section 636 has been purchased by the person to whom the payment is made, and
 - (c) the person to whom the payment is made has not elected in accordance with subsection (5)(a) of section 636 to defer the purchase of such an annuity as is mentioned in that section.
- (3) Where the member’s death occurs after the date which is his pension date in relation to the arrangements in question, the lump sum must be payable not later than two years after the death.”.