



Finance Act 2014

2014 CHAPTER 26

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 4

OTHER PROVISIONS

Pensions

42 Pension flexibility: taking low-value pension rights as lump sum

- (1) In paragraph 7(4) of Schedule 29 to FA 2004 (amount of commutation limit for purposes of trivial commutation lump sum) for “£18,000” substitute “ £30,000 ”.
- (2) In paragraph 8 of Schedule 29 to FA 2004 (value of crystallised pension rights for trivial commutation purposes)—
 - (a) in sub-paragraph (1)(a) omit “, as adjusted under sub-paragraph (2)”,
 - (b) in sub-paragraph (1)(b) omit “, as adjusted under sub-paragraph (3)”, and
 - (c) omit sub-paragraphs (2) and (3), as originally enacted and as substituted by FA 2013.
- (3) In consequence of subsection (1), in FA 2011 omit paragraph 4(2) of Schedule 18.
- (4) In consequence of subsection (2)(c), in FA 2013 omit paragraph 8(4) of Schedule 22.
- (5) 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)(a) (limit at or below which additional sums can be trivial commutation lump sums) for “£2,000” substitute “ £10,000 ”.
- (6) In the Registered Pension Schemes (Authorised Payments) Regulations 2009 (S.I. 2009/1171)—

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- (a) in each of regulations 6(1)(b), 8(1)(a), 11(1)(c), 11A(1)(b) and 12(1)(e) (limit at or below which certain payments by registered pension scheme can be authorised payments) for “£2,000” substitute “ £10,000 ”,
 - (b) in regulation 10(3)(b) (certain payments by registered pension scheme which can be authorised payments if value of member's pension rights is not more than £18,000) for “£18,000” substitute “ £30,000 ”,
 - (c) in regulation 11(1)(d) (upper limit on total value of member's benefits under the scheme which would make the payment and all related schemes) for “£2,000” substitute “ £10,000 ”,
 - (d) in regulation 11A(2) (may not be more than one previous payment under regulation 11A) for “one payment” substitute “ two payments ”, and
 - (e) in regulation 12(4) (certain payments by registered pension scheme can be authorised payments only if property held in respect of at least 20 members exceeds £2,000) for “£2,000” substitute “ £10,000 ”.
- (7) In consequence of subsection (6)(b), in the Registered Pension Schemes (Miscellaneous Amendments) Regulations 2011 (S.I. 2011/1751) omit regulation 8(4).
- (8) The amendments made by subsections (1) to (4) have effect for commutation periods beginning on or after 27 March 2014 and do so irrespective of whether the nominated date is before, on or after 27 March 2014.
- (9) The amendment made by subsection (5)—
- (a) has effect for lump sums paid on or after 27 March 2014, 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.
- (10) The amendments made by subsections (6) and (7) have effect for payments made on or after 27 March 2014.
- (11) The amendments made by subsection (6) 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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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 212(4)(f) and word inserted by [2021 c. 26 Sch. 27 para. 43\(b\)\(ii\)](#)
- s. 212(5)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(ii\)](#)
- s. 212(5)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(iv\)](#)
- s. 212(5)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(v\)](#)
- Sch. 31 para. 2(3)(b) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(iii\)](#)
- Sch. 31 para. 2(4A) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(c\)](#)
- Sch. 31 para. 3(1A) inserted by [2017 c. 32 Sch. 14 para. 45\(3\)\(b\)](#)
- Sch. 31 para. 5(b) inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(c\)](#)
- Sch. 31 para. 2(3)(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(ii\)](#)
- Sch. 31 para. 5(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(b\)](#)
- Sch. 31 para. 2(3)(a) words renumbered as Sch. 31 para. 2(3)(a) by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(i\)](#)
- Sch. 31 para. 5(a) words renumbered as Sch. 31 para. 5(a) by [2017 c. 32 Sch. 14 para. 45\(4\)\(a\)](#)
- Sch. 32 para. 1(2)(b) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(iii\)](#)
- Sch. 32 para. 1(3A) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(c\)](#)
- Sch. 32 para. 1(2)(a) words inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(ii\)](#)
- Sch. 32 para. 1(2)(a) words renumbered as Sch. 32 para. 1(2)(a) by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(i\)](#)