
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Paragraph 62. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 3

PENSION PAYMENTS OUT OF UNCRYSTALLISED FUNDS

Related amendments in Part 9 of ITEPA 2003

- 62 (1) Section 636A of ITEPA 2003 (taxation of pension lump sums) is amended as follows.
- (2) After subsection (1) insert—
- “(1A) In the case of an uncrystallised funds pension lump sum paid under a registered pension scheme when the member has not reached the age of 75—
- (a) no liability to income tax arises on 25% of the sum, and
 - (b) section 579A applies in relation to the other 75% of the sum as it applies to any pension under a registered pension scheme.
- (1B) In the case of an uncrystallised funds pension lump sum paid under a registered pension scheme when the member has reached the age of 75—
- (a) if the member's available lifetime allowance when the sum is paid is equal to or greater than the sum—
 - (i) no liability to income tax arises on 25% of the sum, and
 - (ii) section 579A applies in relation to the other 75% of the sum as it applies to any pension under a registered pension scheme, and
 - (b) if the member's available lifetime allowance when the sum is paid is less than the sum—
 - (i) no liability to income tax arises on the part of the sum that is equal to 25% of the member's available lifetime allowance when the sum is paid, and
 - (ii) section 579A applies in relation to the rest of the sum as it applies in relation to any pension under a registered pension scheme.
- (1C) For the purposes of subsection (1B), the amount of the member's available lifetime allowance when the sum is paid is what it is for the purposes of Part 4 of FA 2004 (see section 219 of FA 2004), but adjusted in accordance with the rules in paragraphs (a) and (b) of paragraph 12(1A) of Schedule 29 to FA 2004.”
- (3) In subsection (2) (subsection (1) does not limit operation of lifetime allowance charge) for “subsection (1) does” substitute “ subsections (1) to (1B) do ”.

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- (4) In subsection (6) (definitions) after “ “serious ill health lump sum”,” insert—
“ “uncrystallised funds pension lump sum”,”.

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